

## NEWS SUMMARY

### Police large lypso rters

Hill police station was in a state of alarm last night as a mob of looting and rioting broke out in the area. The rioting was confined to the area around the police station and the rioters were dispersed by the police. The rioters were seen to be looting shops and houses in the area. The rioters were seen to be looting shops and houses in the area. The rioters were seen to be looting shops and houses in the area.

### French franc rises strongly

● FRENCH FRANC rose more than four centimes against the dollar in Paris, to Frs.4.9075. Since the appointment of M. Raymond Barre as Prime Minister on Thursday, the franc has improved by almost 2 per cent. Page 4

### WALL STREET closed 4.09 up at 968.92

● U.S. MACHINE tool orders rose 6.2 per cent in July to \$162.9m, nearly double the figure for the same month in 1975.

### SOVIET-U.S. trade should reach a record \$2.6bn. this year

● JAPAN'S colour television exports in July were a record \$30.650 compared with \$38.7m in June, said the Electronic Industries Association of Japan. Production was also a record at \$77.000.

### VENEZUELAN Government has ruled that a group of foreign oil companies—mostly from the U.S.—owes it more than \$512m in back taxes due in their interpretation of tax law in 1970.

### Rolls-Royce offers Boeing variant RB-211

● ROLLS-ROYCE (1971) has proposed a variant RB-211 engine suitable for powering any Boeing two-engine short-to-medium range aircraft. The U.S. company is considering whether to develop a twin or a three-engine plane for the 1980s. Back Page

### BRITISH LEYLAND rectification engineers at Longbridge, Birmingham, disregarded a union return-to-work call and voted to continue their strike which has halted all Mini and Allegro production. All Jaguar output was lost due to a 24-hour strike by paint shop workers in Coventry. Page 8

### SERIES OF City and academic economic forecasts are pessimistic over the balance of payments, inflation and unemployment. Page 4

### ALLIED TEXTILES, one of the U.K.'s leading wool textile concerns, has begun major export drives into Germany and the U.S. Page 4

## Drought emergency continues after week-end rain

BY MICHAEL THOMPSON-NOEL

In spite of the Bank Holiday rain, all emergency arrangements for the drought are to be maintained. Over the week-end, there were squalls, storms and floods in some areas.

The National Water Council, the advisory body for Britain's water authorities, said last night: "Welcome though it is, the rain will have no short-term effect on the drought and no long-term impact on the water table."

The Government is still preparing emergency programmes involving temporary pipelines, the use of road tankers to move water around, the opening of normally uneconomic sources and the deepening of existing boreholes.

Mr. Denis Howell, the drought Minister, who will be touring the West Country in the week-end, said: "We have returned to the more traditional British westerly system. There will probably be changeable weather with rain in many places for the next few days."

But the National Water Council said the drought situation was unaffected. "The rain may provide a temporary boost to some rivers and reservoirs, but it will have no impact on the water table. Some reservoirs may gain up to 100 gallons, but that will be gone in half a day or less."

Mr. Howell said yesterday: "It has to rain from now until Christmas to make sure we are all right next year."

The CBI said at the week-end that major companies in South-East Wales had written to the organisation detailing their problems if supplies are cut by half. The first such cuts are expected to start tomorrow.

In the Southern Trent Water Authority area, which includes Birmingham, Bristol, Nottingham and Leicester, industrialists will be warned today that they could face water cuts which might affect the car industry.

Representatives of the Department of Industry, the CBI and the National Farmers Union will be among those attending a water economy meeting called by the authority in Warwickshire today.

Mr. Donald Reeve, the authority's director of operations, said yesterday that unless consumption was cut radically, the water economy meeting called by the authority in Warwickshire today.

### Cabinet faces the cost

BY PETER HENNESSY, LOBBY CORRESPONDENT

The Government strategy for dealing with the drought, which took shape at the end of last week, will involve the Cabinet in a series of decisions between now and next summer when Ministers will have to decide if costly, new capital programmes are needed to secure the country's water supplies.

Continued on Back Page  
Britain's thirsty industry, Page 11  
Editorial Comment, Page 10

## Methil oil platform yard closure to end 1,200 jobs

BY QUENTIN GUIRDHAM

REDPATH DORMAN Long (North Sea), the oil platform construction subsidiary of British Steel Corporation, plans to dismiss all but 100 of the 1,350 workers at its Methil, Fife, yard by next February.

Earlier this year the company warned of substantial redundancies in November. It had hoped, however, that even without a major platform order, sufficient jacket and deck structure work could be found to maintain the yard at perhaps half capacity.

RDL has now proposed that instead of part of the workforce being maintained in full employment will be kept, but only until mid-February when the yard will be closed. A care and maintenance staff could be as few as 30 or, if minor orders are received, up to 100.

Officials of the Amalgamated Union of Engineering Workers and the Boilermakers Amalgamation will today have talks with the workers, who have initially rejected redundancy terms.

The mothballing of the Methil yard would be the second major closure of the two-year lull in platform orders for British yards, following the 1,500 redundancies at the Lough Greenan plant at Hartlepool, Cleveland. There, redundancy pay averaged £2,000 a man. It is thought that work contracts at RDL do not allow for redundancy payments as large as that.

Negotiations between management and unions at Methil have centred on both severance pay

### Confident

But yesterday Mr. George Mackenzie, the Minister of State with responsibility for Scotland, said that there was bound to be a period of redundancy for oil rig workers. He was talking after a visit to the Burntisland Fabricators plant, also in Fife, where modules for rigs are made and where about 150 redundancies from the 550-strong workforce have been given.

The oil companies' reluctance to place orders did not mean they had changed their attitude, he said. "They are as confident as ever."

## Government curbs spending rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

GOVERNMENT policy decisions between April and the end of July appear to have increased public spending in 1976-77 by a maximum of about £100m.

This underlines the official determination to ensure that policy changes do not push the public expenditure beyond the original White Paper targets, as has occurred in recent years, though there may still be strong political pressures for additional spending on, for example, job creation during the rest of the current financial year.

Moreover, Whitehall officials are facing a continuing battle to ensure that local authority current spending remains below a specific target.

The total additional public spending in 1976-77, outlined since the last Expenditure White Paper was agreed in January, is now probably just over £500m.

Changes amounting to £418m, for 1976-77 at current prices and between January and the end of April, were revealed by the Treasury in a memorandum sent to the Expenditure Committee at the end of May, and a similar list of spending changes has now been sent for the period up to the end of July.

### Contingency reserve

Although some of the likely total of just over £500m, since January will offset changes in existing programmes, the bulk represents calls against the contingency reserve. This stands at £875m.

The contingency reserve is quite separate from the cash limits system of control over spending in money terms, rather than just volume terms, which may soon be tested by a higher than anticipated rate of inflation.

When the July economic package was announced, it was emphasised in Whitehall that the contingency reserve is now being treated not just as an incidental statistic but as a specific measure of control over spending. Nevertheless, there could be a number of large calls on the reserve before the end of the financial year, apart from the aid for school leavers already announced. Thus there may be spending on new industrial aid and on capital investment for the aerospace and ship-building industries when they are nationalised. The drought could also mean additional spending, while, if unemployment remains high, there will be considerable pressure for another in the series of job creation packages.

## Dublin awaits terror decision

From Kevin Done in Dublin

THE Fianna Fail opposition party is expected to withhold its final decision on whether to back the Government's controversial motion calling for a declaration of a national emergency until after the Government has presented its case to the Oireachtas (the Upper and Lower Houses of Parliament) today.

The Opposition Front Bench held discussions yesterday and there will be a meeting of the full Parliamentary party today. It appears that Fianna Fail is prepared to challenge the emergency motion unless the Government is able to furnish ample proof that it is necessary for the internal security of the Republic.

Fianna Fail is not expected to find any major issue of principle in the Emergency Powers Bill and Criminal Law Bill. But it is expected to bring under close scrutiny such proposed items as granting the army similar powers of search and arrest as the Garda and raising from seven to ten years the maximum term of imprisonment for membership of an "unlawful organisation."

## Incendiary

On the latter proposal, Fianna Fail may argue that the present maximum of two years is not being used by the courts, which have tended to impose sentences ranging between six and 12 months.

Last night a wave of firebomb attacks was directed at four pubs, three cinemas and two houses in the city centre area. No one has claimed responsibility for the attacks but suspicion was growing last night that they may have been carried out by Loyalists. Similar suspicions were aroused in 1972, when the bombings, in which one man was killed, were instrumental in creating a climate conducive for passing new anti-terrorist legislation.

A report on the bombings will be presented to the Irish Cabinet today by Mr. Patrick Conboy, the Justice Minister, before the Oireachtas begins emergency sessions. The incendiary devices used in the bombings are about the size of a packet of 20 cigarettes and can be disguised as a parcel. The attacks followed a warning from the Garda to publishers in Eire about the "cost bomb" device being developed by terrorists in Northern Ireland.

The first business before the Dail (Lower House) today is a resolution from Mr. Liam Cosgrave, Prime Minister, declaring that the national emergency created by the conflict at the outbreak of the Second World War has now ceased to exist. Technically this state of emergency has never been repealed.

Mr. Mackenzie denied that the Government had allowed the setting up of any many oil rigs on the coast. "We had to be ready to take what opportunities were available; we were perhaps a bit slow off the mark, but now we have the sites available."

Companies engaged in platform construction are being put on one major order, possibly from Conoco, before the end of this year. But this order cannot change a deteriorating situation for other yards beside Methil and Grays Thurrock.

Apart from the Hunterdon and Portavadie yards which have never won a contract, orders for in Highland Fabricators yard at Nigg Bay, Highland, and the Kishorn, Argyll and Bute yard (Ardyne Point) and McDermott (Ardersier) are not thought to provide work beyond mid-1977. At least two of these, Highland Fabricators and McDermott, are trying to diversify into fields such as bridge-building and large construction.

## Kissinger to meet Vorster at week-end

CAPE TOWN, August 30.

THE SOUTH African Prime Minister, Mr. John Vorster, and Dr. Henry Kissinger, the U.S. Secretary of State, are to meet in Zurich at the week-end for another round of talks on the southern African situation, the Ministry of Information announced in Pretoria tonight, as the violence in the Republic continued. The talks will open on Saturday and continue until Monday.

Mr. Vorster will be accompanied by Dr. Hilgard Muller, his Foreign Minister, Mr. R. F. Botha, the South African Ambassador in Washington, and Mr. Brand Fourie, Secretary for Foreign Affairs, who also attended the first Vorster-Kissinger meeting in Germany last June.

Since that meeting events in southern Africa have moved swiftly. For Mr. Vorster, opponents at home and abroad have been largely adverse. Urban African unrest, which erupted a few days before the initial Vorster-Kissinger meeting, has since spread to most parts of South Africa, resulting in the deaths of more than 300 people, thousands of injuries and the arrest of more than 1,800 persons, of whom an estimated 170 are held under the country's security laws, allowing detention without trial.

This week-end six blacks were killed in the township of Soweto, two of them by police bullets, the authorities said. The police said that when riot squads attempted to break up fighting between groups of blacks, the crowd turned and started stoning the police.

In Port Elizabeth workers have been urged to stay at home in a similar protest in the one which sparked off renewed riots in Soweto last week, and deprived of jobs many companies of the town to 50 per cent of their labour force.

Unrest spread to coloured teaching institutions in the Western Cape today, as students burst into a lecture room and set fire to the building. Professor Dick van der Ross, who had been warning them to return to their lectures.

While Dr. Kissinger is likely to raise the internal situation in South Africa, the main items on the agenda will undoubtedly be Rhodesia and Namibia. There is no clear indication of likely progress on Rhodesia. The conflict there has spread in three fronts, and it is evident that the Rhodesian economy is now more reliant on South Africa than at any time since 1963.

South African relations with leaders of the Rhodesian "frontline states" of Zambia, Tanzania, Mozambique and Botswana have changed from warm cordiality to hostility. Mr. Vorster's most treasured black African entente, with Zambia, lies in ruins and President Kaunda has called for open war on the white south.

Even the South African Government's most promising diplomatic initiative in the past 13 years—to coax its National Party supporters in Namibia (South West Africa) to agree to a multi-racial Government in a unitary state where whites are outnumbered eight to one by blacks—has apparently failed to attract the support of Britain and the U.S. Its Governments insist that Namibia cannot succeed because it does not take into account the aspirations and claims of the South West African people's organisation (SWAPO).

It is expected that Dr. Kissinger will explore with Mr. Vorster the possibility of putting the South West Africa constitutional proposals to SWAPO at a meeting sponsored by the United Nations.

Eight African members of the Rhodesian African National Council, found guilty of terrorism and sabotage in the Salisbury area, were sentenced to death in a special court yesterday. Tony Hawkins reports.

The eight men were found guilty of throwing a grenade into a Salisbury restaurant and detonating a grenade outside a nightclub, as well as trying to derail trains by planting explosives on the railway near Salisbury.

It is reported from Washington that Dr. Kissinger may make a second trip to Africa next month, depending on the outcome of his talks with Mr. Vorster.

Two U.S. State Department envoys, Mr. William Schaefele and Mr. William Rogers, have visited black African states in the past week.

Our Dar-es-Salaam correspondent writes: Mr. Ted Rowlands, Minister of State at the Foreign Office, responsible for African Affairs, today met President Julius Nyerere for 80 minutes.

He said President Nyerere had assured him that he believed Britain was alongside Africa in trying to find a solution to the Namibian and Rhodesian problems.

Mr. Sean MacBride, the UN High Commissioner for Namibia, today warned the U.S. that if it supported tribal groupings in Namibia it could lead to an Angola-style civil war in the territory. Mr. MacBride told a press conference here: "I have explained to United States representatives the danger of their giving direct or indirect support to the so-called ethnic representatives who have been meeting in Windhoek."

GAU backs Cuhnan aid. Page 4



## Smooth and soda.

Dewar's, Blended for smoothness - it never varies.

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## LOMBARD

## Why the Franc is weak

BY RUPERT CORNWELL

THE LATEST fall from grace of the franc has prompted a good deal of agonising on the other side of the channel about whether there is not a "French sickness" — some permanent weakness that forever prevents the currency from joining the select few in the strong camp dominated by the Deutsch Mark. France, after all, has over-performed economically every one in Europe over the past decade, yet the franc has only appreciated against the pound and the lira. Against the mark it has halved in value over the 18 years of the Fifth Republic.

Of course there is no shortage of immediate reasons for the heavy exchange market pressure of this summer: inflation both actual and anticipated, rapidly rising wages, political doubts that induced the rich to shift their money into Switzerland and more recently into that ultimate bastion of capitalism, the U.S. Then there is the drought, now starting to scorch sterling.

per cent, compared with 4.2 per cent. Close on France's heels come Spain and Italy, further if indirect proof of a prominent reason for the survival of strong Communist parties in Catholic southern Europe is that region's relative lack of social progress.

The U.K., with a rate of 6.4, is in the middle of the league table — at least partially giving the lie to the notion that powerful unions and heavy direct taxation have destroyed wealth, although the trend seems towards an evening out of incomes distribution. The predictable winners are those much admired social democracies of northern Europe — Norway, Sweden and most egalitarian of all, Holland, where the ratio is only four. The poorest fifth of the Dutch get 9.1 per cent of the cake, a share more than twice as big as that of their French counterparts.

## Tax system

All of which, I think, points to just how difficult a ride the French Government will have over the next few years. Up till now the lid has been kept on by precisely that high annual growth rate, which by giving everyone a share stopped undue attention being paid to whether the gap between rich and poor was closing. By the same token, pressure for a reform of the principal villain of the piece, the tax system, could be contained — even though its reliance on indirect taxation meant it bore heavily on the lower paid, obliged to devote a larger slice of their income to consumption.

But every sign is that the national cake will grow much more slowly over the remainder of the decade, and that its distribution will become increasingly scrutinised. Social inequality surely is the root cause of "French sickness": its administrators have to remedy, before the incomes and prices restraint everyone is preaching can be achieved. President Giscard d'Estaing knows this full well, and his goal of "governing from the centre" only puts the same point another way. It may be that the "two Frances" are already too far apart to be welded, even if the Government changes are a last attempt to change things before the 1978 elections. If he fails, the way is open for the Socialist-Communist union of the left to take power. In all probability then, that old maxim of foreign bankers and others, that nothing ever changes in France except by revolution, will once again be proved correct.

## TV/Radio

## BBC 1

↑ indicates programme in black and white

7.05-7.55 a.m. Open University (UHF only). 8.40 Dastardly and Muttley in their flying machines. 9.50 Jackanory. 10.05 Devlin. 10.30 Roobarb. 11.03 The Boy from Llandudno. 11.30 Crickit. English v. W. Indies. 1.30 p.m. Andy Pandy. 1.55 News. 2.00 Crickit. 2.50 Ar Glaw. 4.25 Regional News (except London). 4.50 Play School. 4.50 We are the Champions 1976. 5.15 Lippy Lion and his friends. 5.40 Music Roundabout.

5.45 News. 6.00 Nationwide. 6.30 Tom and Jerry. 6.40 Lassie's Great Adventure (series of six films). 8.10 Superherald's Law.

9.00 News. 9.25 Sykes. 9.55 Going Up: BBC-1 Documentary. 10.45 Bert D'Angelo. 11.25 A look back at summer and prospects for September. Regional News.

All Regions as BBC-1 except at the following times:—

Wales—6.00-6.25 p.m. Wales Today. 6.25-6.50 Man and Boy. 6.50-7.10 Heddidi. 7.10-8.00 The Elly Queen Hamdun. 8.00-8.10 Industrial Grand Tour. 11.25 News and Weather for Wales.

Scotland—6.00-6.30 p.m. Reporting Scotland. 11.25 News and Weather for Scotland.

Northern Ireland—4.25-4.25 p.m. Northern Ireland News. 6.00-6.30 Scene Around Six. 11.45 News and Weather for Scotland.

England—6.00-6.30 p.m. Look

## FILM AND VIDEO

## BY JOHN CHITTOCK

## The creative skills v. technical competence

A NEW law, in the traditions of Parkinson and the Peter Principle, can now be postulated for the audio-visual media: the success of a film or television production is inversely proportional to the amount of technology involved.

The failure is not so much a result of technical breakdown — on the contrary, the sheer mastery of the technology induces a spirit of confidence and complacency which causes creative skills to be ignored.

Still photography as a commercial tool undoubtedly must head the list of such failures. It is not merely the photographers themselves who too often are camera technicians instead of communicators, but their clients as well, whose approach to the medium is superficial and even negligent.

A good publicity photograph, intelligently distributed, can provide for a company a spearhead in its marketing or public relations campaigns. Successful examples are mostly found in the consumer product industries where the lessons have been learned the hard way. What chances would a new marque of motor car, or a spectacular variety of hybrid tea-rose, have without high quality photographs appearing in the week-end newspapers and monthly magazines? But many products, like television sets and washing machines, have little visual uniqueness to distinguish them — and this is the problem confronting the manufacturer of industrial or technical products.

In such circumstances, only the brilliance of the photographer can create interest in a dull subject. Which is where the trouble begins.

An outstanding commercial photographer will charge in the region of £200 a day for his or her services. Since everybody thinks that it is easy to take a photograph — you just point the camera and click the shutter — which fool company is going to pay someone £200 a day to do the job?

In consequence, editors and journalists are inflicted with a daily flow of unprintable pictures — often taken by a man who happens to be available locally and usually does most of the weddings and christenings. Yet the same

clients are often turning over quite large advertising budgets and frequently use major advertising agencies.

## Poor quality

Troubles continue not only with poor quality prints and inappropriate sizes for reproduction (too small, or so big as to create problems for all who handle them), but with the ultimate sin of inadequate captions or no captions at all.

For video production, there has emerged an unhealthy tendency for production companies to operate primarily as facility houses — providing only equipment and technical services. Since the panoply of video is expensive and demands highly specialised technicians, video companies are generally more expert in getting pictures on to a screen than in interpreting the needs of a client.

## Unproven

In consequence, there is a dangerous temptation for sponsors to bring their own unproven talents into the studio, frequently with disastrous results. Independent creative talent in video production is not so readily available as in the film industry — which has a surplus of freelance producers, directors and writers — but with effort it can be hired in, and foolish is the sponsor who tries to save this cost.

Curiously, slide production seems to suffer less from the miseries of creative failure compared to film, video and stills. It has emerged a realisation that the successful slide programme is a wholly visual experience — and rejection of a dull slide in a programme comes easily; but bad camerawork in a film may be overlooked while the sponsor grapples with nuances of meaning in the commentary.

The root of the problem is what has been called visual illiteracy. Moving pictures have been with us for barely 80 years, still photography under 140 years — against a few millennia of verbal communication. Regrettably old habits die hard and the creation of new cultures is a slow process.

## CRICKET: THE PRUDENTIAL TROPHY

BY TREVOR BAIL

## Rain postpones third match after Randall shines at Lord's

ALTHOUGH THE West Indies had won the Prudential Trophy, a large crowd braved the threat of rain and turned up at Edgbaston, but were frustrated by the weather. At 2.45 p.m. on Bank Holiday Monday, play was abandoned without a ball being bowled, and the third match will now take place to-day.

On the rain-shortened Saturday of the second Prudential International at Lord's, the West Indies once again out-gunned and out-classed England, with Richards demonstrating a partiality for the home bowlers and Roberts causing havoc among the home batsmen.

Having put the tourists in, Tony Greig must have been reasonably pleased to have bowled them out for 221 in 47 overs, in spite of another brilliant innings of the inimitable Richards, a bright start from Fredericks and Greenidge, and a brief flourish from Clive Lloyd. The fielding was above the English average, and the bowlers tidy, with Underwood proving the most effective.

## Forgivable loss

As expected, the West Indies won on Sunday, to go 3-0 up in this mini-tournament, but not before Randall, with help from Knott and Jackman, had played a most impressive innings of 88. Here was another young player who might have been given his opportunity earlier.

What has been learnt in the Prudential matches at Lord's and Lord's? Not much, very. Barlow and Randall both good innings within the co of limited-over cricket.

## TENNIS

BY JOHN BARRET

## Tough Mrs. King clinches win

FOR THE fifth time in its 14-year history, the Federation Cup has been won by the United States women's tennis team which took the first prize of \$40,000 under the new sponsorship of Colgate Palmolive.

It was appropriate in this bicentennial year that, in Sunday's final at the giant Spectrum Stadium here in Philadelphia, Billie Jean King, who was in the winning U.S. team at the inaugural meeting in London in 1962, should have been the architect of the close and exciting 2-1 victory over Australia. In the absence of Chris Evert, whose tendon injury in her right hand must threaten her defence of the U.S. Open title at Forest Hills, New York, this week, Mrs. King was supported throughout the week by the diminutive Rosemary Casals. These two last played in this event together in 1967, and their absence has largely been responsible for the dominance of the holders Czechoslovakia and Australia which has won five titles since then and seven times in all.

The week was marred by the politically-motivated withdrawals of the holders Czechoslovakia, which with Hungary and the Philippines, followed Russia's lead in pulling out after the start of the event in protest at the presence of teams from South Africa and Rhodesia. Retribution from the International Lawn Tennis Federation, under whose aegis the Federation Cup is organised, came swiftly. The British president of the ILTF, Mr. Derek Hardwick, announced here yesterday that Czechoslovakia and Hungary are being fined \$10,000 each, and that the Philippines, which played in the main event, but scratched from the plate, will have to pay \$2,500.

Under a new rule passed in July, all four nations will automatically be excluded from next year's Federation Cup, to be played at Eastbourne immediately before Wimbledon.

Until they pay their fines, teams from these countries may not participate in any competition sanctioned by the ILTF. As a first step towards collecting the fines, which might not be easy, the prize money is being withheld from the three teams which technically are entitled to the first round losers' money. It is also expected that the men's International Professional Tennis Council will support the ILTF by refusing to sanction a grand prix tournament in any of these countries until the fines have been paid. The only nation immediately affected is the Philippines where the Manila Tournament is due to take place in the autumn.

If much of the week's tennis had been dull, one-sided and played without atmosphere in the sparsely-attended early sessions, the final on Sunday lived up to expectations. Some 9,000 patriots came to cheer an American victory, which at one time seemed likely to be swift. Casualties were few, but Mrs. King, who had been in the lead in the first set, was forced to take a break in the second set, and again, was forced to take a break in the third set, and again, was forced to take a break in the fourth set, and again, was forced to take a break in the fifth set, and again, was forced to take a break in the sixth set, and again, was forced to take a break in the seventh set, and again, was forced to take a break in the eighth set, and again, was forced to take a break in the ninth set, and again, was forced to take a break in the tenth set, and again, was forced to take a break in the eleventh set, and again, was forced to take a break in the twelfth set, and again, was forced to take a break in the thirteenth set, and again, was forced to take a break in the fourteenth set, and again, was forced to take a break in the fifteenth set, and again, was forced to take a break in the sixteenth set, and again, was forced to take a break in the seventeenth set, 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Tiger Trail

to reopen

August 30, 1976

# Three small exhibitions

by WILLIAM PACKER

ate Gallery continues its series of small and choice exhibitions with three, each of which will find a special place in the history of the art world. The first is a retrospective of the work of the late Sir John Ruskin, which is likely to find a special place in the history of the art world. The second is a retrospective of the work of the late Sir John Ruskin, which is likely to find a special place in the history of the art world. The third is a retrospective of the work of the late Sir John Ruskin, which is likely to find a special place in the history of the art world.

and special judgments, all of them unnecessary. No artist, however great, is obliged to produce anything but masterpieces, and there are those who are important for other things than their art. The physical appearance of their work is not always the best. Ideas cannot always be realised, though the attempt must always be made. The real achievement lies elsewhere, in the attitudes and the way in which any documentation may only testify, and we must resist the temptation to see that mass of material as the Art itself. The peculiar aura that attaches to autograph material, or is wished upon it, makes this extremely difficult, sometimes, for even the most strong-minded of us to accomplish. A modest documentary show like this one, therefore, is most useful, the more so if its true nature is fully recognised.

The sequence of exhibitions does not begin with Kasimir Malevich, however, but with the late Sir John Ruskin. The figure in the history of modern sculpture, a pioneer of welding, and an early collaborator with Picasso, indeed his technical mentor. And yet, until 1970, when the Tate devoted a large exhibition to his work, he was unrepresented in our national collection. Two years later Mme. Gonzalez-Richard made the gallery a splendid comprehensive gift, a set of 50 drawings covering her father's entire career, and a further 40 by her uncle Joan, the elder of the two. This show celebrates her generosity and a good fortune. Joan was evidently a good but conventional draughtsman, and he died comparatively young.

## The Entertainment Guide is on Page 9

ay House College, Edinburgh

## ectra by B. A. YOUNG

their Trojan Women, presents a single generation—the position of five women of Troy under the domination of Greece, and the rape of all subject states with the determination to hold their honour under La Mama's production. She tells the story directly, as Sophocles did.

Greek lines are treated with material for vocalisation, except in so far as they must convey the sense of the situation. The play is, however, presented by dreamlike rather than straight representation. Powerful, such as the shattering (live!) and the dove, work on the line without a specific meaning, and the mysterious part, part dance, music, conveys the sense of the business with beauty.

tion is set on a long length of two flanking tiers. At one end the palace and the conventional door of tragedy; the actions at the palace can be seen. Taking place on the stage, for example, with a deliberate axe-stroke, extra cuts down her husband along the great stage is a low platform and is a third actor, he seems at each point isolated under lurid spot-lights. The Trojan Women, more or less uniformly, characters presented as one by one at the beginning, who they are, more emphasis on the playing, there is a

greater opportunity to admire the fine acting of the company, to admire in particular the Electra of Priscilla Smith, the astonishing Andromache of the other production. Miss Smith has a phenomenal range of voice, from a growl deep in the bass, from a cry above the staff, now rough and menacing, now pure and smooth, and she matches her passionate delivery with graceful movements and a warm outgoing personality. She is an actress of exceptional worth.

The orchestration of the voices, with occasional embellishment from flute and drums, is the work of Elizabeth Swados. It is endlessly resourceful, a seamless tapestry of song, chanting and speech. The sound of the handbells at the scene of Orestes' recognition, first single, distant notes, then building gradually into a receding harmony, is something I shall remember for a long time.

The concert, which is being presented by Michael Rouse in arrangement with the Ted Heath Estate, will be repeated, with some personal changes, on Tuesday November 9 at the Fairfield Hall, Croydon.

**VAN OMMEREN**  
Dfls 30,000,000.-  
1% bearer Notes of 1972 due 1976/1979  
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PHS. VAN OMMEREN N.V.  
As provided in the Terms and Conditions Redemption Group No. 1, amounting to Dfls 7,500,000.- has been drawn for redemption on August 13, 1976 and consequently the Note carrying consecutive number 1 and all Notes bearing a consecutive number which is 4 or a multiple of 4 higher than 1 are payable as from  
October 1, 1976  
at  
Amsterdam-Rotterdam Bank N.V.  
(Central Paying Agent)  
Algemene Bank Nederland N.V.  
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and  
Banque de Paris et des Pays-Bas  
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Banque Générale du Luxembourg S.A.  
in Luxembourg  
August 30, 1976



century, a particular and characteristic amalgam of Symbolism and Expressionism. The late figure and life studies are the most intriguing, curiously managed charcoal drawings, crisply done and closely, almost satirically observed, and one or two of them oddly erotic: a whiff of decadence.

Julio was altogether the better artist, however, and his work of this period, though there are only a couple of examples, points the distinction. The later drawings make a strange mixture, the thread of development not hard to follow, but unexpected. After a set of studies of peasants at work in the fields, strongly reminiscent of Millet, all made around 1920, we jump a decade to the drawings for the surrealist assemblages of the middle '30s. Finally, in the year or two before his death in 1942, we see a return to a specific, if still fractured, figurative Surrealism modified by Cubism, and heavily charged

Edinburgh Festival

## Die drei Pintos by RONALD CRICHTON

When Weber died in London 180 years ago, he left a quantity of sketches for a comic opera to be called *Die drei Pintos*. He had every intention of completing the work, but ill-health and more urgent plans, including *Euryanthe* for Vienna and *Oberon* for Covent Garden, got in the way. His widow, ignoring the claims of his pupil Julius Benedict, who understood Weber's working methods and had heard him play parts of *Pintos* time and time again, unwisely consigned the sketches to Meyerbeer, who procrastinated shamefully. Eventually Weber's grandson Carl brought the material to the notice of Gustav Mahler, then a young Kapellmeister at Leipzig. With the aid of Carl's references to the libretto, using the sketches and borrowing from little-known minor works of Weber, Mahler completed the undertaking begun more than half a century earlier.

The opera finally reached Britain, as *The Three Pintos*, at John Lewis in London in 1902 and again in a production by the Oxford University Opera Club last February. On Wednesday Edinburgh Festival Opera gave a concert performance (in German, with an English narration) in the Usher Hall, with the BBC Scottish Symphony Orchestra, conducted by Alberto Erede. An opportunity of hearing this unique collaboration between two geniuses at opposite ends of the romantic movement professionally done was most welcome. Even so the outcome did not suggest that the music (however fascinating the blending of the two composer's styles) would make up in the

theatre for what appears to be a dim libretto, as *Euryanthe* and *Oberon* override disadvantages of a similar nature.

The plot concerns a Spanish father determined to marry his daughter, Clarissa, to a certain Don Pinto who she has never even met—she is equally determined to become the bride of her admirer Gomez, a stranger to her father. There is a third claimant to Clarissa's hand in the person of a light-hearted student from Salamanca, Gaston. The outsiders in turn pass themselves off as Pinto, who conveniently spends much of the opera off-stage with a bad hangover. In the end Clarissa is her Gomez. The atmosphere is more operatic than comic opera, but there are a number of numbers have a sparkle which Offenbach or Johann Strauss would surely not have discerned—yet in them, both Weber and Mahler's sharp quills are discernible.

The nocturnal intermezzo added by Mahler (using Weber's theme) is a gem. In act 3 there is a tereztino for mezzo, tenor and baritone which has more than a dash of the sardonic humour of Mahler's First Symphony. Though Weber was attracted by the setting, and there are said to be a number of genuine tunes, Spanish local colour (something at which few German or Austrian composers excel) does not go much beyond a ruse to tapping three-four rhythms and over the top of ensemble numbers, in spite of their melodiousness, there hangs a certain heaviness. At least, it hung there on Wednesday evening, when admittedly one was

his researches made him one of the great draughtsmen of his and any age. The exquisite working drawings he made for the plates of his books hang around the room, and there are also some examples of his paintings of animals, his own celebration of the natural order, the Mares and Foals from the Tate, and a magnificent painting of a Drill and an albino Baboon from the Hunterian Museum. Stubbs was a specialist, and like many such, was taken for granted perhaps, and thus diminished. The English love their horses, and for many generations Stubbs was merely the horse painter. Scholarship has lately re-estimated what artists know all along, but there are many people who are still surprised at the high esteem in which Stubbs is now held. This show should surprise them further, in demonstrating the range of his genius.

The three shows continue until October 3.

Whitehall

## Fringe Benefits by B. A. YOUNG

Brian Rix is at the Whitehall, all's right with the world. The authors of his new vehicle, Peter Yeldham and Donald Churchill, have got his trousers down early in Scene 2 by the slightly unfair process of making him take part in a strip-forfeit word-game, but they go further than most of their predecessors and make him lose his shoes and socks, his blazer and his shirt as well. Moreover, when he puts his trousers on again at the unexpected return of his wife, his stage wife I mean, Jane Downs, he first puts them on inside out and then back to front.

*Fringe Benefits* is not exactly subtle. Colin (Mr. Rix) and Jim (Terence Alexander) decide to tool their wives into going for their annual Torremolinos holiday without them, so that they can spend the time with two girls from the office. Their wives (Miss Downs and Barbara Kingthorne) think they can get their husbands off and then spend a daisy holiday at home, one with a Radox footbath and the other with a young plumber. Take it from here.

"I'm going on a crash diet," says Jim. "Epsom salts and All Bran." "Very moving," answers Colin. "It was touch and go," says Colin. "She touched and you went," comments Jim. Here it all is: a salmon concealed in the trousers, sudden outburst of play-acting to conceal a *faux-pas*, slow burns and double takes, hairbreadth escapes from detection, laughable disguises, almost-nude girls, "you must be a very well-endowed plumber." The

day without them, so that they can spend the time with two girls from the office. Their wives (Miss Downs and Barbara Kingthorne) think they can get their husbands off and then spend a daisy holiday at home, one with a Radox footbath and the other with a young plumber. Take it from here.

The two pretties from the office are Sally Harrison and Jean Perkins, the plumber is Richard Latham, and the director is Wallace Douglas, who I am sure knows what he is doing when he allows a joke to be explained that is already self-contained.

I wish them all good luck. For many people, the world would be a duller place without them. If there is no reason why they should not occasionally be given fish-fingers.

Oh yes, and Beethoven. At the end of such a pleasurable concert as last night's Prom, it would be easy to forget that the evening had begun in excellent style with a finely tempered account of Beethoven's First Symphony. Sometimes this work is played as if Beethoven were rudely throwing down the gauntlet to his contemporaries, but that was not the manner adopted by Rafael Frühbeck de Burgos on this occasion, and rightly so. He took the London Symphony Orchestra through the piece quite coolly, not missing the strange gestures and innovative points, but allowing them to speak for themselves. Of course they did so, and the result was a performance which plainly the symphony's 18th-century background without minimising its revolutionary potential.

The Mozart work which followed was the Sinfonia Concertante in E flat for four winds, strings and orchestra, and here again the classic poise of Frühbeck de Burgos's style was an advantage. It proved a perfect foil for the delightful play of the soloists, the oboist Roger

men, rather than Fate, knocking at the door. Be this as it may, Frühbeck de Burgos and the LSO gave a very winning account of the complete ballet, clear in detail, sumptuous in colour and irresistible in the sweep and drive of the Spanish dances. Patricia Taylor sang the two little songs in an attractive lyrical tone, happily without any attempt at raucous peasant intonation. One could hardly wish one had only been offered a suite.

Scottish National Orchestra signs with RCA

The Scottish National Orchestra has signed a contract with RCA Records and will make its debut on the label with a new recording of Elgar's Symphony No. 1, which is also featured in the orchestra's repertoire at this year's Edinburgh Festival. The orchestra's musical director, Alexander Gibson, said: "We hope that a large proportion of our recordings will be of British music, including the major orchestral works of

despite the continuing economic pressures in 1975 as Japan began its slow, and still selective, progress toward recovery, the Sumitomo Bank completed its 80th anniversary year with further expanded deposits and increased financial strength.

Expanded Deposits and Loans

Deposits during fiscal 1975 grew 18.6% to ¥7,097,750 million (\$23,687 million); loans rose by 11.6% to ¥5,832,381 million (\$19,464 million), notwithstanding stricter regulations on the loan volume set by the Bank of Japan. The securities portfolio expanded by 19.9% to ¥1,127,062 million (\$3,761 million). Earnings were adversely affected by reduced profit margins, but this was largely compensated by the effectiveness of global operations and the additional funds generated by increased deposits. Net income during fiscal 1975 was ¥23,818 million (\$79 million), giving the Sumitomo Bank the highest after-tax profits and earnings per share of any Japanese bank, for the 10th consecutive year.

Improved Banking Services

The bank's emphasis on consumer banking was maintained, resulting in a heartening increase in deposits by individual customers. Housing loans grew by 32.4%. On-line cash

deposit machines have been installed in 155 of the 188 domestic branches, providing a complete "automatic teller" system together with the on-line cash dispensers and change makers already in use in all branches.

Worldwide Network

The bank's worldwide network was further improved by the addition of new representative offices in Tehran and Cairo. It now includes eight overseas agencies and branches, seven representative offices, and 14 subsidiaries and affiliates.

Outlook for 1976

While the coming year will be marked by continuing domestic fluctuations and increasing complexity in overseas operations, Sumitomo Bank is determined to remain Japan's most profitable and progressive financial institution, on a basis of full commitment to the interests of society as a whole, and to its shareholders and customers.

The Sumitomo Bank Limited Consolidated Balance Sheet (As of March 31, 1976)

Assets	In thousands of Yen	In thousands of U.S. Dollars
Cash and Due from Banks	1,055,346,880	3,521,932
Call Loans	24,767,839	82,656
Securities	1,127,062,487	3,761,263
Loans and Bills Discounted	5,832,381,148	19,463,978
Foreign Exchanges	591,549,713	1,974,135
Domestic Exchange Settlement a/c. Dr.	131,539,646	438,978
Bank Premises and Real Estate	120,522,884	402,212
Other Assets	42,878,326	143,095
Customers' Liabilities for Acceptances and Guarantees	1,304,928,308	4,354,842
Total	10,230,977,231	34,143,091
Liabilities	In thousands of Yen	In thousands of U.S. Dollars
Deposits	7,097,749,841	23,686,801
Call Money	297,032,478	991,265
Borrowed Money	550,770,169	1,838,045
Foreign Exchanges	182,800,741	610,047
Domestic Exchange Settlement a/c. Cr.	116,075,218	387,369
Accrued Expenses	164,214,672	548,021
Unearned Income	43,741,027	145,974
Other Liabilities	53,701,336	179,213
Reserve for Possible Loan Losses	80,652,959	269,157
Reserve for Retirement Allowances	42,987,361	143,459
Other Reserves	18,478,672	62,335
Acceptances and Guarantees	1,304,928,308	4,354,842
Capital (Paid-up)	66,000,000	220,257
Capital Surplus	5,642,788	18,831
Retained Earnings	206,001,661	687,475
Total	10,230,977,231	34,143,091

U.S.\$1 = ¥299.65 as of March 31, 1976

The Sumitomo Bank, Limited  
Osaka, Tokyo, Kyoto, Kobe, Nagoya and other major cities in Japan  
London, Düsseldorf, Brussels, Vienna, New York, Chicago, Los Angeles, San Francisco, Hong Kong, Singapore, Jakarta, Sydney, Mexico City, São Paulo, Rio de Janeiro, Beirut, Tehran, Cairo

## Picking at the Fringe

by B. A. YOUNG

The Edinburgh Fringe is more popular than ever, though not necessarily more exciting. There seem to be more professional companies easing their way into the scene, some of them already familiar in London at the ICA or the Almost Free or somewhere. It is an admirable thing that the Edinburgh should be able to see the best of the London alternative theatre, yet in a curious way this phenomenon deprives the Fringe—of us veterans, at least—of some of the excitement it used to hold.

I suppose the most important item to record is that the Traverse has had a pup, the Other Traverse in Forrest Road, intended as a centre for the production of new works by Scottish writers. To some extent, however, this is negated by the forthcoming disappearance of the Young Lyceum, which stood in roughly the same relationship to the old, or Royal, Lyceum as the Young Vic once did to the National Theatre.

The trouble here is that the Lyceum has got itself a new Artistic Director, Stephen Macdonald, who sees no point in acting as a puppet to an independent company in addition to his own and intends to combine old and new in one company to present work both at the Lyceum and the useful little house in Cambridge Street round the corner as well as the contracts of all the actors end on Septem-

ber 11. It should have been possible to do this without fuss. However, the Young Lyceum, which has an Artistic Director of its own, Sean McCarthy, complained that this decision had been made without discussion with them and that they were all to be thrown on to the street. No place here to discuss the rights and wrongs of the question; in any case the Lyceum is soon to be closed to the public while it is refurbished and there would be two theatres' worth of work to be done.

The Young Lyceum seems to be rather a private stadium for Mr. McCarthy. The two plays showing in the first Festival week are both by him, and *Rise and Shine*, the lunchtime play that I saw on Wednesday, is directed by him, too. It is an exceedingly tenuous affair about an impecunious young couple arguing the pros and cons of getting up in the morning, of (I thought) no real value but delightfully played by Muriel Romanes and Dermot Crowley.

The big talking-piece is of course Tessa Kantor's *Apocalypse* from Craoow. This "dramatic" scene, *Death Class* is the name of their current offering, and it is housed in the Edinburgh College of Art. The maps tell you it is in Lauriston Place, but the way in is from Lady Lawson Street. This "dramatic" scene, *Death Class* is the name of their current offering, and it is housed in the Edinburgh College of Art. The maps tell you it is in Lauriston Place, but the way in is from Lady Lawson Street. This "dramatic" scene, *Death Class* is the name of their current offering, and it is housed in the Edinburgh College of Art. The maps tell you it is in Lauriston Place, but the way in is from Lady Lawson Street.



## HOME NEWS

## Gloomy forecasts over inflation and balance of payments

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN INCREASINGLY pessimistic view of the prospects for the balance of payments, inflation and unemployment emerges from a series of new City and academic forecasts.

Two of the reviews—from the London Business School and stockbrokers Phillips and Drew—warn that unemployment (excluding school leavers and seasonally adjusted) will not fall below 1m. for at least two years and that inflation will start to accelerate again in 1978.

Forecasts for the balance of payments have also been revised significantly from earlier projections. The Business School, whose analysis appeared in the Sunday Times, and Phillips and Drew envisage a current account deficit in the range of £1.5bn. to £2bn. for 1976, compared with £1.7bn. last year.

These forecasts could prove embarrassing for the Government ahead of the RUC Congress and likely negotiations during the autumn on longer-term overseas borrowing. And another review is due from the National Institute of Economic and Social Research on Friday.

Phillips and Drew argues that the weak profile for the current account—a deficit of £1.3bn. in 1977—together with continuing

high unemployment, increases the possibility of the Government adopting import restrictions.

But the review suggests that wide-ranging controls will not be introduced, though selective ones may come, since the necessary international finance from the IMF and other sources, should be available following the July economic package.

## IMF loan

The opinion that Britain will have to go to the IMF when the standby credit expires in December is shared by Dr. David Lomax, the economic adviser to the National Westminster Bank.

He argues in his latest monthly analysis that given the IMF's known views on monetary policy the British Government could feel compelled this autumn to take further action to slow monetary expansion.

Both the Business School and Phillips and Drew believe that the rate of wage increases will begin to rise sharply after the end of stage two next summer. Consequently, the annual rate of increase in consumer prices is only likely to be in single figures for a short time in the second half of 1977.

Differing views are, however, held on the rate of increase of output with the Business School projecting a rise of only 2.5 per cent. in Gross Domestic Product this year, 4 per cent. in 1977, 1.5 per cent. in 1978, before falling off to 0.8 per cent. in 1979.

While this has pessimistic implications for unemployment, a slow-down in growth and increasing aid from the North Sea should help to produce a substantial improvement in the balance of payments from mid-1978 onwards with a surplus of £1.3bn. forecast for 1979.

Phillips and Drew are more optimistic about the short-term growth prospects with a rise of 3.4 to 4 per cent. in GDP still envisaged this year and 3 per cent. in 1977. Dr. Lomax of the NatWest believes the present annual growth rate is just over 3 per cent.

A more confident view of the immediate outlook on the balance of payments comes from the brokers Wood Mackenzie, who are sticking to a forecast of a current account deficit of £1.3bn. for 1976 because of the impact of North Sea oil. They also estimate that the drought will add only a further 2 per cent. to the cost of living by the end of 1977.

## OVERSEAS NEWS

## Syrian hint of federal solution in Lebanon

By Hasan Hijazi

BEIRUT, August 30.

A HINT by a Syrian newspaper known to reflect Government thinking that Syria wants to have a federal relationship with Lebanon has evoked a great deal of interest in political quarters here, because it was related to the visit which Mr. Elias Sarkis, Lebanon's President-elect, is due to undertake to Damascus tomorrow at the invitation of President Assad.

The semi-official Syrian daily Al-Thawra said in its leading editorial yesterday that Mr. Sarkis' visit should be "followed by regular meetings in Damascus, Amman or any other place—in any city or village which may be adopted as a federal capital."

The newspaper said that, to begin with, federal information, Education and Tourism Ministers could be set up, later to be followed by a federal legislature.

The paper further indicated that Syria would like to see the Palestinians to be included in the proposed federation. It said President Assad and Mr. Sarkis will discuss the "new relationship" between Syria and Lebanon and between them and Jordan and the Palestine Liberation Organisation.

David Satter writes from Moscow: In a move believed to reflect deepening Soviet frustration over inability to influence events in the Middle East, the Communist Party newspaper Pravda has called on Syria to withdraw its forces from the Lebanon.

The newspaper said that to resolve the Lebanese crisis, Syria should withdraw its forces from the Lebanon, and the Palestinians, to rehabilitate and strengthen the combined front of Arab forces.

The statement follows a demand for the withdrawal of Syrian forces from Lebanon by the Soviet-Asian Solidarity Committee, which was the latest step in the disenchantment of the Soviets with their once-close ally.

Arab sources believe that there is little possibility the Soviets will break relations with Syria over Lebanon, because that would cost them an intimate point of involvement in the Middle East situation, without gaining anything.

Soviet frustration with their lack of effectiveness in the Middle East seemed to be shown in a second Pravda article blaming tension between Libya and Egypt on Libya's rejection of any attempt to settle the Middle East conflict "in the interest of the imperialist powers and the Zionist aggression."

Michael Ninyang reports from Cairo: Arab League Foreign Ministers are scheduled to meet later this week to discuss a date for an Arab summit. This was announced by Arab League Secretary-General Mahmoud Riad at a Press conference which he held in Cairo yesterday.

Mr. Riad said that the summit is expected to be particularly tense. President Assad of Syria will call for an immediate ceasefire in Lebanon, and will seek a free hand to make the ceasefire effective. The rich Arab States will almost certainly be requested to pledge funds for the reconstruction of Lebanon, and for the confrontation with Israel.

## Papers allege uranium cartel

By David Bell

WASHINGTON, August 30.

THE U.S. Justice Department has filed a lawsuit to dissolve the National Uranium Resource Council, an Australian group, which alleges that the price of 90 per cent. of the uranium produced in the world has been effectively controlled by a five-nation cartel since late in 1971.

The documents, originally published in the National Times of Australia two weeks ago, are said to contain the files of an Australian mining company and to show that Australia, Canada, France and South Africa acted with Rio Tinto Zinc, the British mining group, to control the price of the metal. The Justice Department has for some months been conducting an inquiry into uranium price fixing.

The documents were originally obtained from the files of Mary Kathleen Uranium of Australia (a 51 per cent. controlled subsidiary of RTZ), by the Australian branch of the Friends of the Earth, an anti-nuclear group. They apparently show that there have been a number of price-fixing meetings since 1971, including one in Johannesburg on January 28, 1974, at which it is alleged, some 36 representatives of the four countries and RTZ were present.

In London yesterday RTZ said it had no comment to make on the allegations. Its main Australian subsidiary, Conzinc Riotinto of Australia, had already responded with "No comment" to all inquiries.

The Financial Times published daily copies of the documents for £1.50 per copy. The documents are available for sale at a special price of £1.50 per copy to all inquiries.

## OAU official backs Cuban intervention in Namibia

BY OUR OWN CORRESPONDENT

LUSAKA, August 30.

THE ORGANISATION OF African Unity (OAU) will support the use of Cuban assistance by South West Africa Peoples Organisation to force South Africa out of Namibia (South West Africa), the OAU Secretary-General, Mr. William Eteki Nkhomoua, declared today.

He said SWAPO could use any help needed as the representative movement of Namibia. "SWAPO has the right to call for any help including that of the Cubans," Mr. Eteki told a Press conference during his stopover from Swaziland.

He said his organisation would continue to give assistance to SWAPO until Namibia was free from racist rule. Asked whether the use of Cubans in Namibia would not aggravate a conflict between the super powers, he said: "The situation has already been made up of Ministers from the 11 groups, and that

Mr. Eteki's statement comes after SWAPO President Mr. Sam Nujoma said he would ask for increased assistance from Cuba and other Socialist and Communist countries.

Swaziland, Mr. Eteki's stopover was due to expire tomorrow. SWAPO today definitely rejected the constitutional conference on South West Africa which is trying to arrive at a constitution for the South African administrative territory, and said it would not participate under any circumstances in the talks.

The constitutional conference, or Turnhalle as it is known, is due to reconvene tomorrow. Made up of delegates from the 11 indigenous groups, including the whites, the Turnhalle has so far agreed that Namibia should become independent by December, 1978, at the latest.

Delegates have revealed that an interim government is expected to take over by June next year. It is thought that a Cabinet will be made up of Ministers from the 11 groups, and that

South Africa will retain control of defence and foreign affairs, as well as finance.

However, speaking today at a Press conference, Mr. Daniel Tjongawaru, the Information Secretary of the OAU, said that SWAPO rejects "the quisling, puppets and political dropouts of the Turnhalle, and demands independently supervised elections."

SWAPO's position is that there should be elections on a one-man one-vote basis for political parties rather than indigenous groups. Mr. Tjongawaru said that SWAPO, which claims to have the support of 60 to 70 per cent. of the population, is only prepared to negotiate with the withdrawal of the "occupying forces."

Swapo, whose militant external wing is waging a guerrilla war in the north of the territory, is recognised by the UN and the OAU as the main liberation group of the territory, which has been run by South Africa since 1919.

## Three-point Japan compromise

BY CHARLES SMITH

TOKYO, August 30.

A THREE-POINT plan for ending the strife within Japan's ruling Liberal Democratic Party was put forward today by party officials.

The plan, deceptively simple in outline, proposes firstly that Prime Minister Takeo Miki should reshuffle his Cabinet immediately.

After the reshuffle, an extraordinary session of the Diet should be convened as quickly as possible to discuss urgently needed financial legislation.

Finally, the party should "unite" itself in preparation for the General Election, which is constitutionally due next winter.

The compromise plan was announced this afternoon by Mr. Yasuhiro Nakasone, the LDP Secretary-General, who said it was "certain" to be acceptable to Mr. Miki.

Tonight the Prime Minister was in conference with his two main opponents, the Deputy Prime Minister, Mr. Takeo Fukuda, and Mr. Masayoshi Ohira, the Finance Minister. The three men were evidently attempting to arrive at a truce based on the officials' proposals, but the length of their meeting suggested they might be having difficulties.

The thinking behind the proposal for a reshuffle is that the Miki Cabinet—despite the invulnerability of Mr. Miki himself—contains at least one person who may be vulnerable to police inquiries in connection with the Lockheed affair. This is no other than Mr. Nakasone, who in his present position of LDP Secretary-General occupies a vitally important party post.

The fact that Mr. Nakasone has chaired the committee of party officials who came up with the compromise proposals lends a distinct irony to the situation.

The proposal to convene the Diet at the earliest opportunity should also be common ground between the Miki and anti-Miki groups, though the wording of this section carries the implication that Mr. Miki will still be

Premier when the Diet convenes. The remaining proposal, calling for the election, is the one about which the greatest amount of discussion can be expected. The carefully chosen word "unite" could be taken to imply that Mr. Miki should step down before the election, since the party at present disunited over the issue of his leadership. It could equally be taken to mean that the party will unite itself under Mr. Miki to fight the election.

Arguments about the semantics of the proposal were almost certainly one of the main reasons for this evening's prolonged summit between Mr. Miki and his two opponents.

It seems unlikely that he will agree, even privately, to accept an intervention of this kind, which would commit him to resigning before the election. However, there seems a possibility that he may in the event be prepared to understand the proposal in this way.

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## Barre wins support for franc

BY RUPERT CORNWELL

PARIS, August 30.

THE MERE appointment of M. Raymond Barre as French Prime Minister seems already to have partly solved one of the major problems he was named to tackle—the alarming weakness of the franc on foreign exchange markets.

The currency today rose more than four centimes against the dollar to close at Frs.4.9075, representing an improvement of almost 2 per cent. since the dramatic departure last Wednesday of Mr. Barre's predecessor, Mr. Jacques Chirac.

To degrade the recovery reflects the view that the decline since mid-July had been exaggerated. But it is also an acknowledgement of the international financial community's faith in M. Barre's economic skill and his belief that his anti-inflation programme has promising will have real substance.

The package is unlikely to be ready before mid-September. In the meantime the Prime Minister has scheduled his visit with employers and unions in his determination to win some form of control on wages and prices, whose rapid growth has been the direct cause of recent pressure on the currency.

The Bourse for its part has reacted positively, and despite flagging slightly today, prices have put on almost 3 per cent. across the board since M. Barre's nomination.

The political sky is also beginning to clear, with the conditional support pledged this week-end by the Gaullist party for the new government, despite their loss of the post of Prime Minister.

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## 'Lockheed bribes in Italy'

A SENIOR Communist member

of an Italian Parliamentary committee of inquiry, investigating alleged Lockheed payments connection with the purchase in 1969 of 14 C-130 transport aircraft, has disclosed that the 6 voted, narrowly, against arrest of one or more former Ministers. The report is in Rome.

The crucial vote, according to Mr. Francesco D'Amico, a Communist member of the Italian general election June 1976, was time to bring the hard-core, he said, in interview with L. Repubblica added, however, that the move not win majority support in the Italian Parliament.

The party political balance the revised commission of the into the Lockheed affair—reconstituted after the election could make it more likely that truth concerning alleged bribes and financial pay-offs be uncovered and published, due course, although there is expectation in Rome of any definitive findings.

## India constitution Bill to-morrow

A Bill to make radical change the Indian constitution is to be introduced in the lower house of Parliament tomorrow.

Mr. Shreeves writes from New Delhi: The changes have been in discussion for nearly a year, and as the Indian emergency has been in force for nearly a year, the Bill will, it is expected, be a landmark in the country's history. The Bill will, it is expected, be a landmark in the country's history.

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## U.S. export drive by Allied Textiles

By Rhys David, Textiles Correspondent

MAJOR EXPORT drives into the U.S. and Germany are being undertaken by Allied Textiles, one of Britain's leading wool textile concerns.

The group which is hoping to raise its export proportion of output to 40-50 per cent. compared with about 20 per cent. before the start of the textile recession two years ago, is to start a campaign in September in the United States with Chester Barrie, the suit manufacturer.

The company's Reid and Taylor subsidiary is also hoping to increase its sales by up to 40 per cent. in Germany where new co-operative arrangements have been concluded with three leading German clothiers. Allied is also hoping to build up its business in the big German uniform market, and has materials currently on trial with the German police and post offices. This follows a successful exhibition held in Cologne last year with the leading U.K. uniform manufacturer, Compton Sons and Webb.

The move into the U.S. follows an upsurge in interest in U.K. wool textiles which has resulted in Allied taking more orders in the U.S. in the past three months than in the previous 10 years. The U.S. market for wool textiles has been difficult to penetrate in recent years because of duties which can add up to 50 per cent. to the cost of cloth but with American consumers showing more interest in natural fibres and with the textile industry in the U.S. market where high tax levels are blamed for putting the company's exclusive cloths outside the range of many potential buyers.

Prospects for the Yorkshire wool textile industry which has spent some £55m. in the past 23 years on re-equipment with the assistance of a Government Industry Act aid scheme are described as very bright by Russell Smith, Allied Textiles managing director, particularly in export markets.

Men and Matters, Page 10

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Men and Matters, Page 10

## United Labour is only an Act, says Tory

LABOUR WAS a "fair weather party" which could only hold together in an easy economic climate, Mr. Timothy Raison, chief Opposition spokesman for the Environment, claimed yesterday.

This was shown, he said, by the hostile tone of motions for the Labour Party Conference, which will start in Blackpool at the end of September, and the "strong support" for Tribune Atkinson (MP for Haringey, Tottenham) against Industry Secretary, Mr. Eric Varley, as Party Treasurer. Another example was the fall in Party membership during the past year.

Speaking in his Aylesbury, Bucks, constituency, Mr. Raison said: "To govern effectively, a party needs a shared core of beliefs, which Labour palpably has not. It is two parties masquerading as one."

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## Angry crowd awaits elusive flights

BY ARTHUR SANDLES

PALMA, August 30.

IT HAS been a frustrating search for thousands of British tourists caught between U.K. fog delays and the problems caused by the go-slow of Spain's air traffic controllers.

Exhausted Britons tumbled from aircraft to be greeted in Palma with cheers from tired but tanned holidaymakers who had been waiting for as long as 12 hours for their flights home.

Although there were occasional 20-hour delays, the average seemed to be between four and eight. The situation has been made worse by the fact that this has been Spain's own back to business week-end when air traffic is at its busiest.

Most tour companies appear to be doing their best with refreshments and overnight accommodation but it has proved difficult to deal with thousands of people whose only real desire is to get home as quickly as possible.

Many of the problems arise because airlines and tour companies have little idea when each flight will be able to leave. This has meant that companies have to keep clients close by, not knowing whether the Spaniards will give permission to fly in minutes or hours.

For holidaymakers actually in the resorts this has not been so great an irritation as for those waiting to leave. British airlines, some companies are keeping customers at their hotels until they learn from the U.K. that the aircraft has actually left.

Britain's biggest tour operator, Thomson Holidays, has been doing this, usually successfully. But problems have arisen in consumer relations when clients have been delayed from, say the 10 p.m. flight to the 2 a.m. departure.

IN SPITE of forest fires and parched parkland, owners of the country's 820 historic homes, castles and gardens report bumper attendances this summer.

The controller at Longlat, the Marquess of Bath's home in Wiltshire, said last night: "Attendance this summer are around 10 per cent. up on last year. Our main worry is fire."

From Woburn Abbey, Bedfordshire, where a 3,000-acre park contains Europe's largest game reserve, Lord Tavistock said yesterday: "The drought affected us very much in July, when our attendances were 7.5 per cent. down, but they have recovered since then and are all square. The primary impact has been on the agricultural estate. My beef herd has been affected, and wheat and barley yields are down. My peculiar problem is the same park where the elephants and hippopotami are terrible consumers of water. Lord Tavistock said that Woburn's film country club complex now being developed was proving a success, despite the parched summer."

Tatton Park in Cheshire, the National Trust's most-visited property, where attendances last year were about 300,000, is pretty dried up but has its own water-wheel, and Tatton Mere is as full as it has ever been. Attendances at the house are marginally up but those for the gardens and park are 7.8 per cent. up.

At Chatsworth in Derbyshire the home of the Dukes of Devonshire (attendances: 250,000 a year), the lake has dried up and the famous garden is suffering. The most serious blow was a storm which destroyed 25 acres of 15-year-old spruce and larch. Fire has been the countryside's worst enemy. A spokesman for the National Trust said last night: "Our latest estimate is that 5,000 acres of forest have been destroyed. The worst belonged to the Commission. The south-east has been the worst-hit. Some of the destroyed

The row over who should pay for such airport problems is not over. Package tour passengers obviously feel that it is up to the tour company to handle difficulties. The operators and airlines, however, point out that Spanish air traffic strikes are hardly their business.

Nonetheless, the tour operators are, by and large, picking up the bill for drinks and meals at airports.

But some tour companies are not as efficient as others. Palma airport has been at times crowded to bursting point with angry customers of a dozen different nationalities awaiting transport.

For the tourist business in Palma this comes as yet another nasty blow in what has already been a poor season. Even at this peak time of year restaurants and night clubs are quiet and hotels are desperate for business. Mallorca is dotted with developments which have been stopped in midstream, their steel and concrete skeletons evidence of a tourist boom which suddenly ran out of steam.

The reason is largely the downturn in the British market. Britain is still Mallorca's largest single customer, and in the winter months approaches half the island's business. The British are short of cash at the very time when Spanish inflation has sent hotel and restaurant prices upwards and this has caught the Spaniards in an awkward economic pincer.

Several hotels are to seek Government permission to close in the winter months, which will only increase off-season unemployment problems. Hoteliers have recently been protesting to 10 p.m. flight to the 2 a.m. departure.

IN SPITE of forest fires and parched parkland, owners of the country's 820 historic homes, castles and gardens report bumper attendances this summer.

The controller at Long



# We need Asbestos. This is what the Asbestos industry has been doing to make it safer.

**We depend on asbestos. In vehicle brakes and in fire protection it saves thousands of lives every year. Asbestos can also give us the low-cost building materials and automotive components crucial to modern life.**

**Industry has to use asbestos in a thousand ways, because it provides a unique combination of flame and heat resistance, strength and flexibility.**

**These vital facts make it difficult to find a satisfactory substitute in many industrial and everyday uses. Which is why we must learn to live safely with asbestos.**

**What, then, is the asbestos industry doing to make it safer to use?**

## **1 We set up the Asbestosis Research Council.**

Originally set up in 1957 to co-ordinate the medical research and dust control studies of the three major asbestos companies, the Council has continued to investigate the causes and seek prevention of the conditions which might cause asbestos-related diseases.

In addition, the Council has developed highly sophisticated techniques for measuring asbestos dust levels in the air, such as the 'membrane filter method' for monitoring dust in the working environment. This is now the standard measure used in Britain, and has been adopted throughout the world.

The Council also advises industry on how to minimise the amount of dust released into the working atmosphere. This advisory service covers the publishing of literature, leaflets and posters on safe work practices, and the organisation of conferences and seminars, as well as day-to-day advice.

## **2 We set up the Asbestos Information Committee.**

The Asbestos Information Committee was set up in 1967 by the principal asbestos manufacturing companies (BBA, Cape and Turner & Newall), specifically to provide information about asbestos products and their safe and proper handling. Today, it is supported by another fourteen companies.

It has published a series of leaflets on asbestos-related subjects, so that information is readily available to you. For instance, if you would like to know more about asbestos in brakes or in buildings we can help.

Simply write to: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

## **3 We have launched a National Campaign about the careful use of Asbestos.**

Recently you have seen full page announcements in the national daily and Sunday newspapers, dealing with asbestos and health matters, and inviting you to ask your own particular question.

These announcements have generated over 3,000 responses, covering anything from asbestos cement roofing materials to cleaning out brake drums. All enquiries are being answered individually.

## **4 We have introduced the Asbestos Safety Code.**

We have publicised the new Asbestos Safety Code in each of these announcements, encouraging people to cut it out and keep it at hand when working with asbestos products.

At the bottom of this page you will find a more detailed safety code.

## **5 Workers in Asbestos factories undergo regular medical checks.**

The asbestos industry spends £2 million each year on dust control in its factories and on workers' medical checks.

These measures ensure that a constant health watch is kept on people who work in the industry.

## **6 Our technical knowledge helps other industries control Asbestos dust.**

In 1969, comprehensive regulations were introduced covering all work with asbestos and asbestos products.

Dust emission controls in asbestos factories are strictly monitored, using sophisticated methods of measurement pioneered by the Asbestosis Research Council.

Highly efficient extraction equipment is designed to siphon dust away from the workers.

In most cases, the controls are so efficient that there is no need for workers to wear protective equipment. We have drawn on this experience to produce a series of guides to help related industries achieve the necessary standards.

## **7 We have suppressed dust in Asbestos products.**

We have suppressed dust in asbestos products so that they can be handled with greater safety. Most asbestos textiles, millboard and insulating board are treated with dust-suppressant chemicals before they leave the factory.

## **8 We are removing potential health hazards.**

When worked on, some asbestos products released excessive dust into the atmosphere. This dust could not be easily controlled and, as a result, these products have been abandoned.

Asbestos thermal insulation, for example, was once the most efficient method of preventing heat loss from high-pressure heating installations and other high-temperature work in chemical plants, refineries and power stations.

It has now been replaced by mineral wools, such as glass fibre, slag wool fibre, rock wool fibre and asbestos-free calcium silicates.

Sprayed asbestos was once used to protect steel and concrete structures against fire and for sound insulation. Mineral wool is now sprayed for this purpose.

In 1968, because some expert opinion in the UK held that the unguarded use of blue asbestos might present a particular health hazard, the industry decided not to import the fibre for manufacture.

No blue asbestos fibre has been imported into this country since 1970. It may, however, still be found in some pre-1970 buildings.

These uses of asbestos have been abandoned by the industry because they presented a possible hazard to the people who worked with them.

## **9 We are constantly researching into new materials.**

The asbestos industry is heavily involved in the search for new materials. For example, where suitable, man-made mineral wools are used in place of asbestos.

We have also developed asbestos-free calcium silicate, which is used where high-temperature insulation is required. But, in the context of present technical knowledge, asbestos is still indispensable for many products.

## **10 We shall introduce an Asbestos labelling scheme.**

Labels will be attached to most asbestos products, including do-it-yourself, manufactured after 1st October 1976.

This labelling scheme was initiated by the Asbestos Information Committee and the Asbestosis Research Council, and introduced after discussion with Government departments.

It is being carried out on a nationwide basis, so that most asbestos-containing products which might create dangerous dust will be immediately identifiable.

As part of this scheme, one million leaflets, incorporating the Asbestos Safety Code, will be distributed through shops and D.I.Y. centres.

## **The Asbestos Safety Code**

It is known that asbestos dust can cause lung diseases and there are strict regulations governing the manufacture and commercial use of asbestos products.

For the home handyman and domestic user of asbestos products, it is very unlikely that harmful quantities of dust will escape in their normal use. As a precaution, however, you are advised to:

**Avoid creating and breathing asbestos dust.**

**The safest way to do this is to follow a few simple rules:**

- 1. Damp the work:** wet dust does not become airborne and is not inhaled. For instance do not sand wall plugging compounds unless dampened. When re-lining your car brakes, remove dust from brake drums with a damp cloth.
- 2. Damp any dust that falls to the floor** and pick it up as soon as possible. Place it in a plastic bag and seal the bag.
- 3. Work in a well ventilated space,** if possible outdoors, when sawing, drilling, filing or sanding.
- 4. Use hand saws and drills,** which produce less dust than power tools.
- 5. Renew worn or frayed asbestos insulators** like oven gloves, oven door seals, hot plate cover seals, ironing pads and simmering pads.

**If you have any further queries, please send us this coupon.**

To: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

Please send me further information on asbestos and health.

(If you have a particular query, please print it in the space below.)

My query:

Name:

Address:

3/145

**The Asbestos  
Information Committee**





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PRINTING

### Growing role of computers

A DUAL computer system to be put into Southernprint by Comprint of Warrimoor will eventually handle the setting, composition and text storage/retrieval of a range of weekly and monthly magazines including Exchange and Mart, Do It Yourself and Look Now.

The system will be based on two Nova 12 minicomputers each with 48K of store and 25 megabyte disc drives. Inputs to the system will be on paper tape from non-justifying keyboards; processed text will go on-line to the filmsetters with proofs produced on a Tally line printer; proofs will be corrected with four Beehive Edit Bee visual display units.

Comprint's typesetting and composition modules have been adapted to suit the particular needs of Southernprint. The setting output is in pages rather than galley, with "windows" left for display advertisements and with leading-out (that is, spacings between lines) adjusted within classifications according to the space available. Other composition features include the automatic vertical justification of advertisements and the prevention of back-to-back reply coupons. Comprint is on 08853-2922.

Meanwhile, Varistype Cor-

poration has introduced a classified advertisement program for its Varicomposer 1 editing, correcting and justifying terminal. A feature of the terminal is that it can be supplied with software to drive any make of typesetter.

It has a 32K memory, dual floppy disc for over 800,000 characters, CRT display (18 or 22 data lines), plus two lines of operating information, and a 123 key keyboard. The computer handles all program instructions, simultaneous input and output via TTY, ASCII, ISO and any six, seven or eight level configurations, and character generation. A character generator allows programming of up to 256 special or foreign language characters.

Storage and publication control of classified advertisements is provided with the new program, using the storage capacity of the floppy disc system. At least two pages (20 volumes) of classified advertisements can be stored on one diskette. Input and output of advertisements is by paper tape, and editing is via the keyboard. There is an optional on-line printer.

Up to 960 advertisements can be sorted alphabetically under one heading. The label, start date and run schedule of each advertisement are stored in the

diskette library. As the advertisement is put in, user-designated formats are automatically inserted into it. Advertisements are sorted categorically and, if desired, alpha-numerically within each category.

The program puts on paper tape all the advertisements to be published on a particular day and edition, together with any other relevant information such as deletion or billing.

Details from Sheira Graphic, 263, Farnham Road, Slough, Barks. (Slough 38779).

## METALWORKING

### European cost saving technology

LABOUR AND cost saving production through the use of numerical and program control, whether on a small batch or high volume production basis, will be the theme of the T. B. Robertson Group's stand at Mach '76 (Birmingham, September 22-October 2). Some 16 machines will be on show, many for the first time in the U.K. from East and West Germany, Spain and Italy.

Among the more important items is the DF 3N 2A Niles program controlled chucker from the German Democratic Republic.

Following this company's practice it has a box-shaped sloping bed with stabilising elements. The tool slide can carry a number of different tools cutting simultaneously, stated to give fast floor-to-floor times. For the small volume producer, an automatic 6-station turret may be fitted to the workslide.

The sloping bed allows swarf to fall freely, and provides easy working access. Recirculating ball nuts and screws for each axis on dc amplidyne drives are features of this machine.

Another machine from Niles is the DS2-N multi-cut copy lathe. Under continuous development since its introduction in 1973, the range now includes a number of derivatives including versions with single or twin copy slides mounted on a common saddle.

The twin copying arrangement allows the completion of re-entrant features in a single operation. A further version has twin copy slides which can be independently operated.

The model on show is a twin copy slide machine with an integral infed slide. It is capable of being programmed to take a maximum of 8 passes and has 8 speeds in the standard range 280-1,400 rpm and 16 feeds in the range 31.5-3,000 mm./min.

## CONFERENCES

### Welding seminars

DURING OCTOBER the Welding Institute is holding two seminars at its London offices—84 Princes Gate, SW7.

"Resistance welding control



This machine for producing round bales is one of Massey Ferguson's latest offerings to farmers. It produces 4-ft-wide bales about 5 ft in diameter and weighing 800 to 1,000 lb. It is intended for use on medium-size farms which require easier to handle bales. An

indicator alerts the operator as the bale approaches full diameter. Twine is automatically cut off on completion of the wrapping cycle and the bale is ejected by hydraulic operation of the tailgate.

and monitoring" is the title of the first, to be held on October 6. Six papers will be presented to which will examine the various correction and monitoring techniques available for controlling the quality of resistance welded components. The papers will also review the various automatic systems which have been recently developed.

"Selection of hardfacing alloys" is the subject of the second seminar (October 27). There will be two papers, the first reviews the problems of wear and the second studies the principles of alloy selection and methods of application. This will be followed by an "Applications Surgery" in which a panel of leading authorities on hardfacing will present and discuss examples from

practical experience. The seminar will be limited to coatings fused to the substrate (welded and spray-fused).

Fee for each seminar is £45—Institute, Abington Hall, Abington, Cambridge CB1 6AL (0223 891162).

## SAFETY

### Detects smoke and heat

INTENDED PRIMARILY for

suitable for other applications such as temporary sleeping quarters on building sites, small shops with living accommodation, farms, etc., a smoke and heat detector designed to give warning of the first stages of a fire has been introduced by No-Swift International, Elland, West Yorkshire, EX5 9DS (04227 2882).

It detects combustion particles in its ionisation chamber, which continuously samples the surrounding air. When such particles are found, the unit sounds a horn. A heat detector will also trigger the horn when the temperature reaches 57 deg. C.

Battery powered, the unit is stated to be capable of protecting an area of 900 square feet.

## COMPUTING

### Printer for minis

SINTROM Electronics of Reading has brought to the market a printer at a price of £2,100 claimed to be 10 per cent. less than "competitive devices".

Designed for minicomputer and communications applications the Periprinter operates at character/sec. with up to columns per line and eight line inch. Emphasis has been placed on high quality output suitable for use as customer and client reports.

In communications applications the unit offers the user a choice of specification with digital CRT, automatic tabular functions, and page ability.

Electronics control techniques are used on the printer to eliminate many of the major parts normally encountered, a simple plastic disc with a single character wheel, a snap in a different change wheel to change type or style fonts, including different gauges.

The ribbon, which can be one or two colours, is contained in a snap-in cartridge and can be changed in 10 seconds. More from Arkwright Reading Berks (0734 85494).

## HANDLING

### Versatile vibratory bowl feeder

AN OUT-OF-PHASE vibratory bowl feeder developed by the University of Salford Industrial Centre (061-736 8921) is claimed to be more versatile in handling a variety of components than conventional feeders.

The design incorporates what is claimed to be a new mode of vibration comprising out-of-phase separately controlled vertical and torsional movements, with the torsional motion parallel to the bowl track.

It is possible to design bowls so that the conveying velocity of items round the helical bowl track is greater than that of those travelling around the bottom of the bowl. This eliminates any pushing action and possible jamming, and allows feed rates to be altered by adjusting only the torsional motion.

It is claimed that components from fuse chips to T-bolts have

been fed and oriented successfully—typically at rates up to three times faster than those achievable in conventional feeders.

Higher conveying velocities can be attained, which are virtually independent of the coefficient of friction between the component and the track. Movement of the bowl is elliptical (instead of saw-tooth) keeping the components in contact with the track. This elimination of bounce allows much more critical tolerances to be used for separation and orientation of components than in conventional feeders.

The Centre claims that in practice wiper blades in the orienting system have operated successfully with a clearance of only 0.002 inches from a critical component face.

Output of components from the bowl is controllable to within close limits, and can be restricted to single item, feeding. The unit incorporates a load sensing device used to control the operation of a bulk storage hopper.

Other advantages are stated to be low maintenance and quiet operation.

## AUTOMATION

### Controls mechanics remotely

MOOG has introduced a lower cost development of the radio control system designed for remote operation of its electro-hydraulic equipment on cranes, access platforms and similar devices.

Up to 20 on/off and six proportional functions can be controlled at the same time through the self-contained hand-held transmitter. Movements of switches and lever controls at the transmitter are radioed to the receiver which provides corresponding outputs to electro-hydraulic proportional valves, pump controllers, solenoid valves, electric motors and other devices controlling vehicle functions.

Moog claims that this new RDL system is completely secure with no danger from interference or spurious signals. The commands are digitally coded and prefaced with a unique station code which must be recognised by the receiver before a control command can be carried out. This together with the ability to preset the transmitter to a specific frequency allows several RDL systems to be used in close proximity without mutual interference. The range is 800 metres. More from PO Box 8, Runcorn Road, Cheltenham, Glos. GL51 9NZ (0242 53224).

## ELECTRONICS

### Stops dust and radio waves

EFFICIENT air filtering and radio frequency interference shielding properties between 14 kHz and 1.0 GHz (various types) are provided by Metex Shieldscreens and VIP air filtering panels now being offered by Walmore Electronics, 11 Betterton Street, London WC2H 9BS (01-536 1235).

In Shieldscreens the air-filtering medium is several layers of woven wire mesh which has been formed into a nesting "hill and valley" cross section of decreasing height so that layers are separated, increasing the dust holding capacity. In the VIP filters the medium is several layers of expanded aluminium.

Both types can be used dry or wetted with a viscous oil. Dry filters are suitable where a high level of dust stopping is not required, where the filters can be vacuum cleaned without

## Flashers and timers

FOUR mains-operated modules announced by Mullard provide timing periods of one to 300 seconds and flashing rates of 30 to 120 pulses per minute with a 50 per cent. duty cycle.

Each module contains an electronic timing circuit which drives an electromagnetic relay with single-pole double-throw contacts. The contacts are electrically isolated from the timer circuit and can handle 250W DC or 1,000 V AC.

## RESEARCH

### A look at stepping motors

ACCORDING to the Electrical Research Association at Leatherhead there is in regard to stepping motors an ambiguity of terminology, labelling, terminal and lead designation and in the methods of presenting test data.

ERA believes that this is causing confusion for users and potential users of stepping motors and so has undertaken a programme of work on the preparation of a draft standard specification. Funding of the project is on a part Government, part industry basis and several leading companies are actively co-operating. The investigations will be of terminology, mounting dimensions, labelling and lead colours. As the project continues work will include the preferred presentation of catalogue data, evaluation of test methods and recommendations for tests that are to be performed.

ERA is interested in hearing from any stepping motor manufacturers not already associated with the project, and is also seeking contact with users to obtain their views. More from Cleve Road, Leatherhead, Surrey KT22 7SA (03723 74151).

## CONTRACTS AND TENDERS

### KINGDOM OF MOROCCO

Ministry of Commerce,  
Industry, Mines and Mercantile Marine

### Société Nationale de Sidérurgie (SONASID)

## INTERNATIONAL PRE-SELECTION NOTICE

#### B - Second List

The SOCIÉTÉ NATIONALE DE SIDÉRURGIE intend to construct an integrated steelworks which will be located in the Province of Nador on the Mediterranean Coast and which will initially produce one million tonnes of liquid steel for the manufacture of billet, rod, bar and section.

It is anticipated that commissioning of the steelworks will take place at the beginning of 1980. The steelworks is being divided into several sections of which an initial list was given in a previous notice.

The packages in this present list are:

- "Turnkey, excluding civil engineering", forming packages B1, B2, B3, B4, B5 and B6.
- Civil engineering contracts.

These will be allocated to successful tenderers following enquiries to prequalified contractors.

Ref	Section	Production or Size	Date of Call for Tender	Commissioning or Completion Date
B1	Power station and boiler house	3 boilers, 2 generators, 1 steam driven blower—total capacity 30 MW.	1 November 1976	January 1980
B2	Building structures	20000 tonnes of structural steelwork for 100000 sq metre of buildings	15 November 1976	September 1979
B3	Port dockside unloading	2 unloaders each with a capacity of 1000 tonnes/hour based on iron ore.	15 December 1976	July 1979
B4	Port and works stacking and reclaiming equipment	Capacity 1000 tonnes/hour based on iron ore.	15 December 1976	July 1979
B5	Sinter plant	120 sq metre suction area	15 December 1976	May 1980
B6	Coke ovens and by-products plant	450000 tonnes/year of coke products.	1 December 1976	March 1980
B7	Civil engineering (3 contracts)	Each contract for approximately 100000 cubic metres of reinforced concrete for foundations and sundry works on the site of the steelworks.	17 January 1977	September 1979

Other sections will appear on notices to be published later.

The financing of these plants, services and works will be provided as necessary from the following sources:

1. SONASID funds.
2. Buyers credits available in some countries and granted by the export aid financial institutions of those countries.
3. Credits granted by international development banks.

Firms interested are invited to write to:

Monsieur le Directeur General, Société Nationale de Sidérurgie, 16 Rue Abou Inane, RABAT—Morocco. Telex: 31721M

before 15 September 1976, stating the reference numbers of the section(s) for which they would like to receive the relevant pre-selection documents and a questionnaire. The completed questionnaire returned within the specified time limits will be used for drawing up lists of prequalified contractors who will be invited to tender.

## CONTRACTS & TENDERS

### APPEAR EVERY MONDAY

For further information contact:  
ROSEMARY ANDREWS  
01-248 8000 Ext. 465

## INVITATION TO TENDER

THE POSTS AND TELECOMMUNICATIONS CORPORATION OF GHANA INVITES TENDERERS FOR:

### ESTABLISHMENT OF EARTH STATION COMPLEX AND NEW INTERNATIONAL SWITCHING CENTRE

The Project comprises the following two sub-projects:—

#### Sub-Project A:

Construction of Earth Station Buildings and Installation on turn-key basis of a standard INTELSAT Earth Station and associated facilities consisting of:—

- (a) Antenna System;
- (b) Communication System;
- (c) Multiplex—Demultiplex System with Engineering Service Panel;
- (d) Terrestrial Microwave Link;
- (e) Control, Monitoring and Test facilities;
- (f) Power supply and Special facilities;
- (g) Co-axial Cable System;
- (h) Spade System;
- (i) T.V. Standard Converter.

#### Sub-Project B:

Installation on turn-key basis of an International Switching Centre consisting of:—

- (a) International Telephone Switching Exchange;
- (b) (i) International Telex Exchange (ii) Message Relay System;
- (c) Power Plant;
- (d) Miscellaneous Facilities.

Prospective tenderers may obtain copies of general conditions of tender and contract and the specifications against payment of two hundred and thirty U.S. dollars (U.S.\$230.00) per complete set of documents daily between 09.00 hours and 16.00 hours G.M.T. from 1st September 1976 to 30th September 1976 at the address given below:—

For Ghanaian tenderers only, the charge per complete set of tender documents shall be two hundred and sixty-four Cedis (C264.00).

DIRECTOR OF ENGINEERING,  
EXTERNAL TELECOMMUNICATION SERVICES,  
(ROOM 316, 3rd FLOOR),  
THE POSTS AND TELECOMMUNICATIONS BUILDING,  
ACCRA-NORTH,  
ACCRA, GHANA.

The closing date for the submission of tenders will be at 10.00 a.m. Ghana time on 30th November 1976.

DIRECTOR-GENERAL,  
THE POSTS & TELECOMMUNICATION CORPORATION OF THE REPUBLIC OF GHANA.

## NATIONAL ELECTRIC POWER AUTHORITY (NEPA)

### PREQUALIFICATION OF TENDERERS FOR CONTRACT No. ES 001

#### FURNISHING, DELIVERING AND INSTALLING GENERATORS AND ACCESSORY EQUIPMENT FOR SHIRORO HYDROELECTRIC PROJECT

##### NIGER STATE, NIGERIA

The Shiroro Hydroelectric Project consists of a concrete-faced rockfill dam with a height of 115 metres from the river bed and a crest length of 700 metres, including spillway; an above ground induction power house at the dam site with a generating capacity of 600 MW consisting of four units of 150 MW each and associated buildings and a switchyard.

The project is located in Niger State, approximately 90 km. south-west of the City of Kaduna. It is situated at Shiroro Gorge on the Kaduna River near its confluence with the Dora River.

The National Electric Power Authority plans to invite tenders in November 1976 from prequalified tenderers for the furnishing, delivering and installing four generators and accessories for the Shiroro Power Project. The tenderers will be invited to submit their bids by 10.00 a.m. on 1st December 1976. The first unit scheduled for July 1, 1981 and the fourth unit by March 1, 1982.

The generators will be vertical shaft type, hydraulic-driven with a steel mounted rotating exciter and range voltage regulator. The generators will be 150,000 kW, 0.85 power factor, 16,000 volts, 50 Hz and 150 rpm. The contract will include generator main frame consisting of 8,000 kg and will include delivery, installation and commissioning.

In order to pre-qualify as an eligible tenderer, interested contractors must complete and submit pre-qualification forms. Required pre-qualification forms may be obtained from: Mr. T. Main International, 134-136 Broad Street, P.M.B. 12030, Lagos, Nigeria. Attention: Mr. E. King, Project Co-ordinator.

## NATIONAL ELECTRIC POWER AUTHORITY (NEPA)

### PREQUALIFICATION OF TENDERERS FOR CONTRACT No. MS 001

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# Building and Civil Engineering

## m. Tilbury Dock contract on by John Mowlem

TRACT valued around £1.5m has been awarded to John Mowlem and Company by the London Authority for the development of a new berth and container terminal at OCL and ACT(A) jerry docks and located on the north side of the Thames as Northfleet Hope.

## n. school housing ards

TRACTS worth over £2m have been awarded by W. W. Clarke and Partners to the City of Coventry for the construction of a new school and housing.

## Stops crane overload

WITHOUT DISMANTLING or rearranging the rope system, a device can be fitted to cranes which prevents overloading.

## Start made on new warehouses

CONSTRUCTION of five warehouse/distribution depots at Aston Road North, Aston, Birmingham, has been started by D. T. Bullock and Co.

## Treatment of waste water

THE Davenport Engineering Co., Bradford, Yorks., has been awarded a contract by Northern Clubs Federation Brewery for a waste water treatment plant at its new brewery at Dunston, Tyne and Wear.

## Invitation for Tenders

The Governments of the Yemen Arab Republic (YAR) and the People's Democratic Republic of Yemen (PDYR) have received loans from the Arab Fund for Economic and Social Development towards the cost of construction of a road linking the city of Aden in PDYR with the city of Taiz in YAR, consisting of:

## £1m. worth for Wimpey Asphalt

WIMPEY Asphalt said over the weekend that contracts during August topped the £1m. mark. The largest of these, due to commence in October, is for R. J. McLeod for surfacing on the A9 Lunbury to Birnam diversion at Bankfoot, Perthshire.

## Container berth preparation

WORK HAS started on a contract, worth about £1m., for the major part of the dredging and reclamation associated with the construction of a new container berth and terminal at Northfleet Hope, adjacent to Tilbury Docks, Essex.

## Electricity board offices

A NEW office block is to be built in Tunbridge Wells, Kent, for the South Eastern Electricity Board. The almost £2m. contract calls for a three-storey building and a single-storey warehouse. The contract awarded to Walter Llewellyn and Sons, will take two years to complete.

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WHITTAKER ELLIS has won an underground water services contract worth about £550,000. The project involves laying underground some 10 km of 1,200mm and three km of 800mm pre-stressed concrete and steel pressure pipeline running between Cefn Mably and Tongwynlais, near Cardiff.

## £2m. work for Biggs Wall

WORK TO the value of nearly £2m. is to be carried out by Biggs Wall and Co., in a contract awarded to Mannesmann (Engineers and Contractors) by the British Gas Corporation for the 56 km. 800 mm diameter Chalgrove to Old Warden section of the Southern Feeder Pipeline Project.

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WORK has started on the construction of a £1.5m. housing project at Brandy House Brow, Blackburn, Lancs. John Laing Construction is building 21 houses and 237 flats there for the Northern Counties Housing Association of Manchester.

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Office Building  
CRENDON STRUCTURES  
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## LABOUR NEWS

## Leyland engineers ignore union call to end strike

BY ALAN PIKE, LABOUR STAFF

RECTIFICATION ENGINEERS company was hit by the first of a series of 24-hour strikes by 800 plant in Birmingham yesterday. The company's decision to ignore a return-to-work call from its union and voted to continue a strike which has expected to return to normal halted all Mini and Allegro production.

Leyland management laid off 6,000 Longbridge production workers yesterday after the strikers' decision to continue the strike which began last Thursday. The 92 engineers, who correct faults on completed cars coming off the assembly lines, have been told that a claim for more money cannot be met under the pay policy, and were advised by Amalgamated Union of Engineering Workers officials to go back to work.

They are not expected to meet again for a week, and their action means that all cars assembled at the Longbridge complex is at a standstill.

In Coventry Leyland lost all Jaguar output yesterday as the

normal. Work on the other model produced at Cowley, the Marina, has not been disrupted by the action.

Production at the nearby Cowley body plant was also stopped yesterday because of a strike by 170 electricians who wanted an unpaid day-off for the Bank Holiday but workers were re-deployed and there were no lay-offs.

The paint shop men intend to stage one-day stoppages without warning as a demonstration against Leyland's decision to locate a new £12m. paint shop in Birmingham instead of at the Jaguar factory. They fear this could eventually end Jaguar production in Coventry.

Leyland's day of disruption was completed yesterday by the continuation of a dispute at Cowley, where groups of men are on strike in support of four shop stewards who have had their credentials withdrawn by the management for holding an unauthorised mass meeting.

They are not expected to meet again for a week, and their action means that all cars assembled at the Longbridge complex is at a standstill.

In Coventry Leyland lost all Jaguar output yesterday as the

## TUC set to stress worry over jobless

BY OUR LABOUR STAFF

LEADERS OF the TUC will meet the Prime Minister tomorrow to express their deep concern about unemployment, which last week rose above 1.5m.

The latest figures will add more emotion to the debate on unemployment at the TUC's annual congress in Brighton next week. Many unions have submitted motions expressing their anxiety about current unemployment, and in particular its effects on school leavers.

Mr. Callaghan and his colleagues are certain to emphasise at tomorrow's meeting, requested by the TUC after publication of last week's figures, indications that the turning point may now be near with a consequent decline in unemployment expected before the end of the year.

Mr. Jack Jones, general secretary of the Transport and General Workers Union, said at the weekend that unions must

"escalate their representations" over issues like unemployment, although this did not mean threatening to withdraw support from the Labour Government.

A great deal must be done by the Government to reduce the level of unemployment. "It is unacceptable, it is economic nonsense and we must try every possible measure to bring that level down," he said on the Tyne Tees television programme Face the Press.

The Labour Government, said Mr. Jones, could not be blamed for the world economic crisis or the oil crisis, but must pick up more urgently trade union suggestions on greater restriction of imports.

Mr. Bob Cryer, Labour MP for Keighley, in a letter to Mr. Michael Foot, Leader of the House, yesterday demanded the recall of parliament as a matter of urgency to consider rising unemployment.

## Rolls strike to continue indefinitely

BY OUR LABOUR STAFF

THE STRIKE by the 470 workers at Rolls-Royce's Blantyre aero-engine factory in Scotland will continue indefinitely.

The men decided this yesterday after hearing that talks in London failed to break the month-old deadlock over plans to close the factory by next March and transfer its workload and employees to the main Hillingdon plant near Glasgow.

The continued occupation of the plant by strikers threatens rationalisation of Rolls-Royce's Scottish operation.

The company plans to tender for a major jet-engine overhaul contract from British Airways and Air France. This would be carried out at its third Scottish factory at East Kilbride. But the company fears it will be uncompetitive for such work unless productivity can be improved and costs cut.

## Machine tool men go back to work

BY OUR LABOUR STAFF

NORMAL WORKING resumed yesterday at the Birmingham factory of Cincinnati Milacron, the U.S. machine tool company, after a dispute over a pay claim which the management says is outside Government policy.

Under a peace formula approved at a shop floor meeting yesterday morning a joint delegation from the company, the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union will consult Department of Employment officials about the disputed claim in London on Thursday.

Cincinnati has agreed that it will negotiate on the disputed

## Newspapers hit again by NGA dispute

BY OUR LABOUR STAFF

SOME PROVINCIAL areas were expected to be without their local morning papers again today because of a dispute between the National Graphical Association and two newspaper groups.

United Newspapers confirmed last night that neither today's Yorkshire Post nor Sheffield Morning Telegraph will be published.

The affected groups are United Newspapers, publishers of 30 other papers as well as the two dailies, and East Midlands Allied Press (the Kettering Evening Telegraph and many weeklies and magazines).

The dispute last large parts of the Midlands and North without morning and evening papers. It concerns an instruction by the NGA to members not to handle certain material submitted for printing and plate-making from "unrecognised" sources.

This disrupted some provincial and national newspapers last week, but escalated when 3,000 NGA members employed by United Newspapers and East Midlands Allied Press walked out after some employees were dismissed for not working normally.

NGA leaders today will discuss another dispute which has disrupted production of the Sunday Telegraph in London for three weeks.

## World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on August 27, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (K) Scheduled Territory; (O) official rate; (F) free rate; (T) tourist rate; (N.C.) non-commercial rate; (A) approximate rate; (S) selling rate; (B) buying rate; (I) import; (E) export; (C) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (B) bankers' rate; (B) basic rate; (C) commercial rate; (C) convertible rate; (C) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit Value of £ Sterling

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# THE FINANCIAL TIMES

(Established 1888)  
Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices:  
BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
Telephone Day & Night: 01-248 8000. Telegrams: Finantime, London  
Telex: 886341/2, 883597

For Share Index and Business News Summary Ring: 01-246 8026

Branches: **Geneva**, **London**, **New York**, **Paris**, **Rome**, **Stockholm**, **Switzerland**, **Vienna**, **Zurich**

Subscriptions: **London**, **New York**, **Paris**, **Rome**, **Stockholm**, **Switzerland**, **Vienna**, **Zurich**

Printed by: **London**, **New York**, **Paris**, **Rome**, **Stockholm**, **Switzerland**, **Vienna**, **Zurich**

TUESDAY, AUGUST 31, 1976

## Planning for water

DECIDING THE most appropriate form of organisation for the water supply industry may be the pressing of the problems now facing Ministers. But, as Mr. Denis Howell, the Minister with special co-ordinating responsibilities for the drought, remarked after his appointment last week, the exceptionally dry weather of the past 12 months has added a new dimension to the Government's idea of creating a stronger national authority for the industry, which was the principal proposal in the consultative document it circulated earlier in the year.

### More promptly

No one in the industry could have been expected to foresee that the present drought would develop into the worst for 250 years. But it is always possible that the Government might have responded somewhat more promptly to the deteriorating situation had it had the benefit of some central body which was charged with considering the overall view. The National Water Council, the industry's present central organisation, does not have a planning role while the only technical body which is concerned with national planning, the Central Water Planning Unit, is under the shared control of the Council and the Department of the Environment, an arrangement which has not proved wholly satisfactory. Similarly, if the long-term development of water resources should call for schemes to transfer water from one river system to another, there would seem to be a role for some strategic planning body to decide which projects would represent the best use of national resources.

The case for a more centralised structure is not clear cut however. It is barely two years since the industry was last reorganised and ten regional water authorities were created in place of more than 1,400 separate undertakings. Each is responsible for managing all aspects of the hydrological cycle—from water supply to sewerage—in one or more major river basins. Their boundaries were drawn up so as to enable them to be virtually

autonomous in matching regional demand to regional supplies and their main task has been that of assessing development priorities within each region. Some inter-regional transfers may eventually be warranted but there is no foreseeable need, as yet, for anything akin to a national water grid.

All this would seem to point to the need for a central body analogous to, say, the National Ports Council with advisory powers on such matters as investment, finance, charges, and efficiency, rather than the more powerful body the Government has in mind—which, among other things, would take over the responsibilities of the British Waterways Board for the canal system. There is a further relevant consideration. The now defunct Water Resources Board foresaw the demand for public water supplies doubling by the end of the century but the present drought has served to remind us that the growth in demand in turn depends upon the extent to which users are encouraged to re-cycle water and to seek economies in other ways.

### Economy

Both domestic and industrial users have tended to regard water as almost a free resource, an attitude which the industry's financial structure has done little to discourage. True, water charges have risen sharply in the last two years but this has reflected cost inflation and the withdrawal of Exchequer and rate fund subsidies. Although the industry faces a heavy investment requirement, for replacement schemes let alone new works, it is currently financing virtually all of its capital spending from borrowing. A working party drawn from the industry suggested last month that the Government should use its existing power to set target rates of return for water authorities so as to encourage a higher rate of self-financing of new investment. This would mean further increases in water charges. But, by encouraging economy in water use, it might serve to make some of the industry's development schemes less pressing.

## Keeping Lockheed out of Dutch politics

THE DUTCH Government has handled the explosive issue of Prince Bernhard's involvement in the Lockheed payments scandal with commendable skill. Mr. Joop den Uyl, the Socialist Prime Minister, has a long reputation as an astute politician—in the Netherlands he is sometimes compared to Sir Harold Wilson—and once again he seems to have succeeded in picking his way through a minefield that could have destroyed not only his own Government but the House of Orange with it. The proof of his dexterity is the conclusion of yesterday's Parliamentary debate in The Hague, in which all the major parties supported his management of the crisis.

### Abdication

The problem facing Mr. den Uyl was to ensure that the Prince paid a penalty for his relations with Lockheed, which, in the words of the official inquiry board, were "unacceptable," without provoking the abdication of Queen Juliana. It is not that his Labour Party has any deep-felt devotion to the Monarchy as an institution; the party's position was dictated by a straightforward political calculation. The vast majority of the Dutch people is both in favour of the Monarchy in general and extremely fond of Queen Juliana in particular, and an election, which is bound to be hard-fought, is coming up next spring. Mr. den Uyl was convinced, probably rightly, that he would lose the election if his party gave the least impression that it was trying to undermine the Queen's position.

In the event, he has succeeded in his objectives. The Prince has been stripped of virtually all his public functions, the Queen is still there, and the centrist and right-wing parties have found no way of exploiting the crisis to their own advantage. Unless there are new and unexpected developments in the next few months, the Monarchy is unlikely to be an election issue. The Queen will stay on

### West Germany

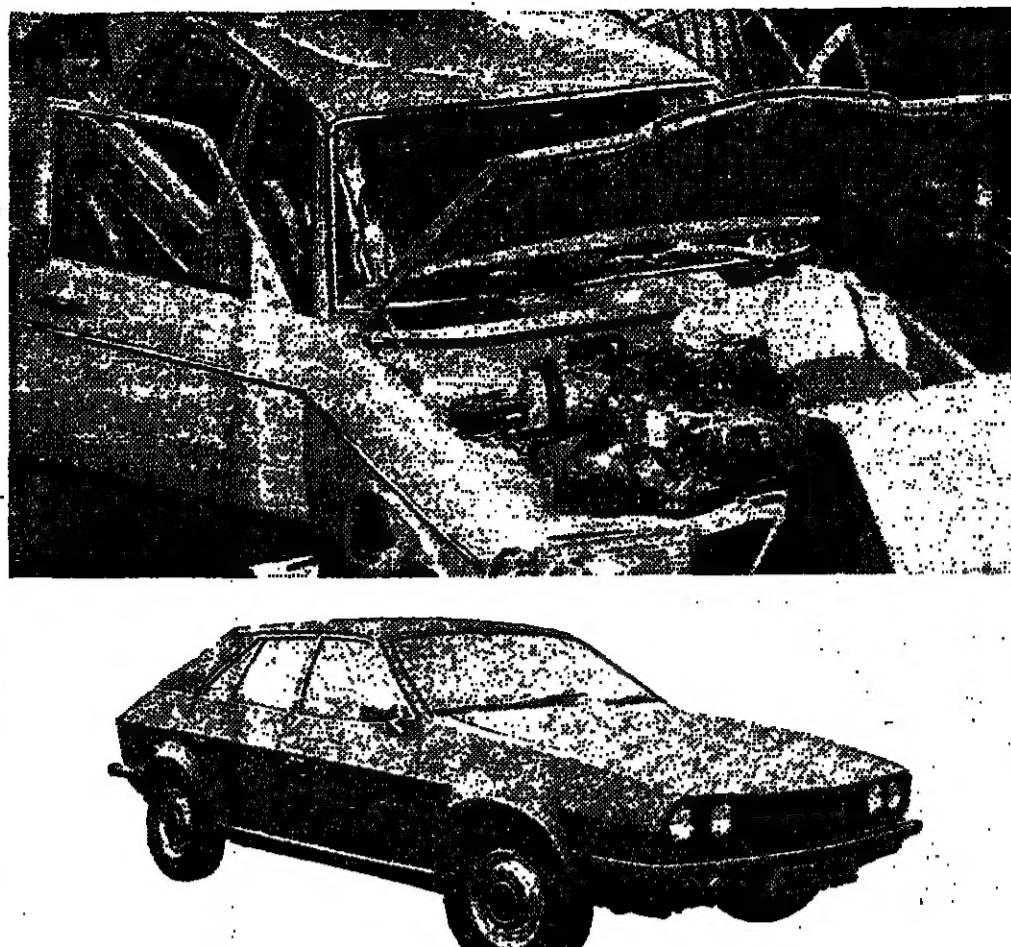
The spotlight now seems set to move on to West Germany, where there has long been speculation that the Bavarian wing of the opposition Christian Democrats could also have been involved with Lockheed. But the Government, coalition, curiously shows no sign of wanting to stir up the allegations as an issue for October's elections. As long as no concrete incriminating evidence exists, they are right. The election should be fought on the overall political choices facing West Germany. But if there is any substance to the rumours, the Government should not hesitate to publish what it knows.

The search for economic motoring has forced manufacturers to re-think diesel power. Terry Dodsworth and Stuart Marshall report on developments in Europe.

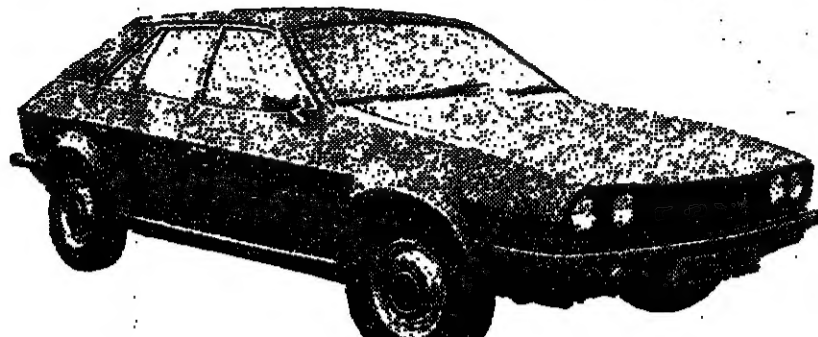
# The future for diesel cars

THE DEBATE on the future of diesel cars will develop a new dimension this autumn when Volkswagen brings out a diesel version of its two most popular models, the Golf and the Passat. Until now, the impact of diesels has been confined to the fringe areas of the car industry. As power units for taxis they have proved economical and durable under the strains of urban driving; and in the big executive saloons, most notably the Mercedes, they have won a small, but gradually growing following. Volkswagen, however, will now be putting the diesel engine to the test right in the middle of the mass market.

A few years ago Volkswagen's experiment would have been dismissed out of hand by the majority of opinion in the industry. But not any more. The search for more economic motoring has forced manufacturers to look again at the alternatives to the petrol engine and to question some of the conventional truths about what the motorist really wants. What none of them can now afford to ignore is the rapid expansion of the established diesel market since the oil crisis sent petrol prices spiralling



A Mercedes production line in Germany (top), where the diesel engine has a growing following. British Leyland is to offer a diesel-engined Princess (above).



## Rapid world growth

Diesels still account for only about 1 per cent. of all world car production—some 265,000 cars against a total of 26m. manufactured last year. But in 1973 only 210,000 diesels were made, which means that in comparative terms, in a period when car production has been virtually static, the diesel industry has displayed very rapid growth. Both Mercedes, which accounts for about 53 per cent. of world diesel car production, and Peugeot (33 per cent.), have substantially increased their output. Some experts believe that by the 1980s world diesel car production could be up to the 1m. a year level, accounting for about 4 per cent. of total car output.

The case against diesels, however, remains a strong one. The engine has nothing like the

versatility of its petrol-driven competitor. It needs pre-heating to start from cold, it has much slower acceleration, and a lower top speed. It also gives less power output for a given capacity. To take one example, the old Peugeot 404 petrol engine, a 1,618cc unit, developed 68 horsepower at 5,500 revs per minute. By contrast, the 404 diesel engine, with a capacity of 1,948cc, develops only 57 hp at 4,300 rpm.

In addition, the diesel is noisier than the petrol engine, especially when starting from cold and idling in traffic; and it is a much heavier unit, needing a larger and heavier starter battery and a more robust suspension to carry it. Inevitably this extra weight carries a cost penalty. The average

diesel car is about £200 more expensive than its petrol equivalent, although in Germany Mercedes has trimmed this differential quite substantially further in its favour in the kind of town-driving where petrol engine consumption tends to soar. The anti-diesel lobby argues that if petrol engines were de-tuned to give similar performance characteristics to the diesel, they could become equally economical, and several manufacturers are believed to be experimenting along these lines. Nevertheless, the advantage at present clearly lies with the diesel.

A second economy in several markets is the cheapness of diesel fuel. As the table shows, there are some countries, notably Italy, where diesel can be obtained for less than half the price of petrol. But this depends essentially on the artificial factor of government policy. Some governments take the view that diesel consumption should be encouraged

because of its economy advantages over petrol; others tax diesel and petrol at virtually the same level. On the face of it cheap diesel fuel should be a considerable attraction to greater use. This certainly seems true of France, the second best diesel market in Europe, and increasingly so in Italy, where a switch to both diesel light commercials and cars is rapidly developing. But Germany is a significant anomaly in this logical pattern, having slightly higher diesel prices, and yet still managing to manufacture more than 50 per

cent. of the world's diesel output. Several arguments have been advanced to explain the curious German situation—that the compulsory third party German insurance system is heavily skewed against vehicles with large horsepower; that a great deal of home heating oil finds its way illegally into cars; and that businessmen travelling on mileage allowances based on petrol engines can make money by running a diesel. "Image" may also have something to do with it. Mercedes has developed a strong identity in Germany, and has also chosen to price its diesels very much closer to its petrol cars than it does overseas. It is the continuing success of companies like Mercedes and Peugeot in expanding their diesel production that is one of the main factors behind the increasing investment in this sector by other manufacturers. This is now going ahead on a broad front.

Citroën has produced a diesel version of its CX which now accounts for about 20 per cent. of the car's output, Volkswagen will probably follow up its Golf diesel with a unit for its new Audi 100 (though this is still two years away). Fiat has announced its intention of making a diesel, and British Leyland, which fits a diesel into the same export Marina, is to offer a diesel-engined Princess. Alfa Romeo also recently joined Europe's established diesel car manufacturers by fitting a Perkins engine to its Giulia model. Even in the U.S., where virtually all small commercial vehicles are still petrol-driven, General Motors is investing in experiments with a diesel Oldsmobile. A breakthrough in America, traditionally lukewarm towards the diesel, would make a big impact on the market in general. At present the attention of the European component manufacturers is fixed on the potential for converting the U.S.'s vast fleet of small commercial vehicles from petrol.

But in the longer term, as pollution regulations tighten, there is a chance that the diesel may be seen as a useful alternative to low performance petrol engines, while helping U.S. companies reach the higher 15 miles per gallon targets that have been set by the Government.

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U.K. industry antagonistic

Despite the presence of small commercial vehicles, as well as pollution regulations, there is a chance that the diesel may be seen as a useful alternative to low performance petrol engines, while helping U.S. companies reach the higher 15 miles per gallon targets that have been set by the Government.

Emission standards

The big question mark at the moment lies on diesel emissions, which are generally cleaner than petrol exhausts but cannot meet the 1978 nitrous oxide (NOX) regulations. There is a possibility that the NOX requirements will be eased sufficiently to let the diesel through. In that case, provided there is no tightening up on two other emission areas—the "particulate" or solid emissions, and aldehydes which are also characteristic of the diesel—the engine could have a bright future in America. Already a considerable expansion programme has been this issue.

## WORLD AUTOMOTIVE FUEL PRICES (SPRING 1976)

COUNTRY	Non-premium petrol	Diesel
U.K.	71	69
France	89	44
Italy	110	44
W. Germany	78	79
Spain	74	49
Holland	88	44
Belgium	85	54
Sweden	84	35
U.S.	38	34
Japan	100	58
Brazil	19	9
Mexico	47	11

Source: CAV

## MEN AND MATTERS

### Motorcycling the minority way

The Boston Consulting Group's lugubrious report last year on the British motor-cycle industry read like an epitaph, making particular play with the notion that by retreating from its volume base into the specialised "super bike" market, the industry had undermined itself. I wonder what the Boston consultants would have made of the British offerings at the Earls Court Motor-cycle Show this week? It would be virtually impossible to describe any of the presentations as anything but "specialised."

The most extraordinary of these is a machine called a Quasar—after the mysterious stars which are rushing away from us at the speed of light—made by Wilson and Sons Engineering of Bristol, a family company better known for its vending machines. Wilson has produced a two-wheel vehicle which is virtually enclosed. It has a roof and a windscreen, uses a Reliant engine and is made, for patriotic reasons, entirely from British parts. Its engineer, Ken Leaman, says the company is hoping to produce about five a week. The rider, he claims, will remain dry in the worst downpour unless caught in a blustery side wind at the traffic lights.

No one else has tried to produce a waterproof machine but there are some other unusual ventures. One, the Manx motor cycle, has the backing of Guy Harmsworth, a grandson of Lord Northcliffe, who is interested in the idea of making motor-cycles from aluminium plate frames rather than tubes. This would revolutionise the speed of production, he claims, and oddly the Japanese have not yet caught on to the idea. Another company, Silk Engineering of Derby, uses a new



"Can't gurus take holidays too?"

lightweight engine which it hopes to adapt for industrial applications. The bike, says the company, is naturally more expensive than the Japanese competitors, but "lighter and better."

Brought together by Avon, the tyre company, on a single stand, the new British manufacturers speak with more enthusiasm about their future than the Boston Consulting Group ever managed. But they have a long way to go. At the last count the Japanese motor-cycle manufacturers had about 70 per cent. of British sales, and foreigners in general 88 per cent.

### Spa fanfare

It is doubtful whether the small German spa town of Bad Neuenahr has seen much like it since Kaiser Wilhelm's days. The place was more or less taken over at the weekend by John Packer's flamboyant event (his

shows come along most years and are major occasions in the textile calendar) to thank those who promote and sell the exclusive suit cloths produced by Reid and Taylor of Scotland.

Packer is managing director of Reid and Taylor, part of Allied Textiles, which sells 85 per cent. of its output abroad. He has been a strong critic of Government support for individual exporting companies, but all was harmony in Bad Neuenahr, with our Ambassador to Germany, a banquet, guest and the Royal Scots Guard band handing out the British message at high volume.

### The new green grass of home?

Things are looking up for the city of Montreal and its hard-pressed taxpayers. Specifically, the future earnings power of Montreal's \$1bn. Olympic Stadium, the focal point of the controversy that raged around the spending on this summer's Games, may have received a boost with the news that work has started on replacing the stadium's existing turf with all-weather synthetic grass.

In future, because of this product's ability to absorb punishment, the 73,000-seat Olympic stadium will serve as the home of the Montreal Expos' baseball team and the Canadian football league's Montreal Alouettes. It will also be used for rodeos, track and field meetings, soccer, field hockey and lacrosse—all of which should help repay a fraction, at least, of the estimated \$1.6bn. cost of the Olympics.

The synthetic AstroTurf is produced by Monsanto Recreational Surfaces, part of the Monsanto group, and the company has been quick to latch on to the publicity potential of its contract at Olympic Park, observing that Montreal's is the seventh domed or semi-enclosed

stadium to opt for AstroTurf in the past year.

Monsanto, which first developed synthetic playing surfaces for sports grounds and stadia, says it has installed AstroTurf in more than 175 major athletic facilities throughout the world since the first was put in to the Houston Astro-dome in 1966.

It has long been argued that synthetic pitches could revolutionise the creaking economies of English soccer, and Monsanto claims that the clubs are beginning to warm to the idea. The cost, per pitch, would be £250,000-£300,000, and despite the effects of English rain (at least as it used to be!), English urban pollution and English sunlight, the pitches should last a minimum of 10 years, says the company.

They could stand a 60-hour week, permitting two League clubs to share the same stadium. Monsanto says. The pitches would have to be vacuum cleaned every two weeks. English soccer clubs accountants will be pleased that the company is now researching the cost ratio for maintaining one of its pitches inside a League ground against one of natural grass.

One of the biggest objections to synthetic grass in the past has been the friction burns the players suffer when falling over but Monsanto reckons confidently that such fears have been exaggerated.

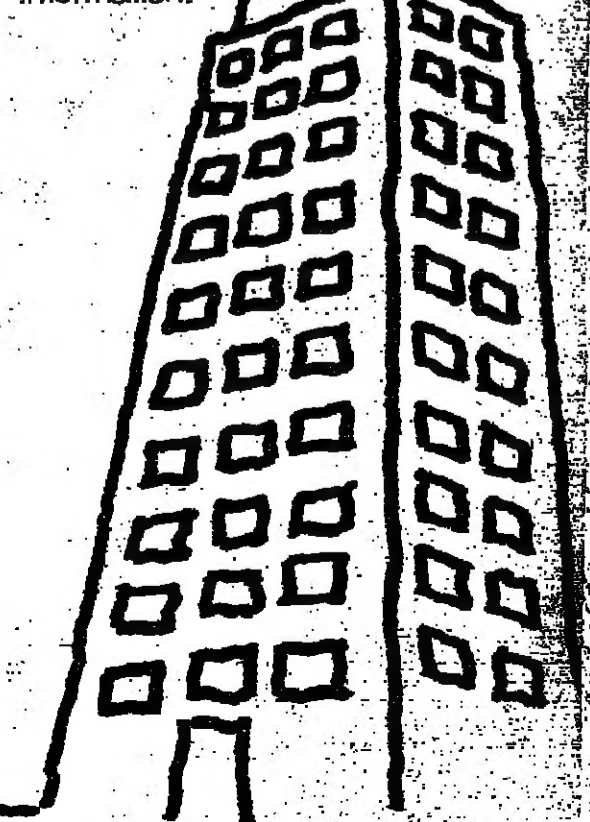
### Don't just lie

"The maintenance of the churchyard is becoming increasingly costly," says a Norfolk parish magazine. "It would be of great assistance if parishioners would do their best to tend their own graves."

Observer

## Prime Site

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# Britain's thirsty industry

Week-end rain has not ended the drought. Adrian Hamilton looks at central and local strategy.

The Government and industry face the prospect of water cuts in individual regions over the next months with considerable impact. It is a case of such a severe shortage of water in some areas that it is not altogether surprising that the Government and industry are both looking for ways to cope with the crisis.

## Own resources

It is all very well drawing up a list, as some have done, of industries such as paper, chemicals or steel which use a great deal of water. And another list of industries in a crisis area: steel and chemicals in South-East Wales, or textile companies in the Melfax and Huddersfield areas of Yorkshire. But a large proportion—nobody in Whitehall knows just how large—of water-dependent industry relies on its own water resources either from boreholes as does BSC's Llanwern plant in South Wales, or from local rivers and streams as do most paper mills. For the moment, most of these "self-reliant" companies seem generally secure. But their situation again depends on water supply, which is itself unpredictable.

few days. Until companies experience this, there are few who can give warning signs of trouble ahead. Once they do experience it, then they raise the awkward question whether the public supply can be used as a substitute.

Added to this is the considerable difficulty—seen before during the energy crisis—of distributing the secondary and tertiary aspect of problems in one plant on essential supplies to another. This is neither the kind of information that the head office of a major manufacturing company would hold nor would the regional directors of the Department of Industry (who are primarily responsible for co-ordinating with the local water authorities on the operation of cuts). It may be simple to say that steel is important but what really needs to be discovered is the effect of production cutbacks in a company like Saunders Valve, in South Wales, which makes most of the larger-diameter valves for the petrochemical plant, on construction activity in Teesside, which is not itself short of water at present. The food processing industry may press its claims for preference at any one time, as it did in Lincolnshire recently, but then its demand may be reduced by the small size of the crop or its seasonal nature.

So far, the official response to the crisis at both local and national level has barely scratched the problem of this lack of information. At national level, there has been a committee on which operations directors of the water authorities have met representatives of the Ministry of Agriculture, Departments of Industry, Employment and Health at the Department of Environment every three to four weeks (now

shortened to every fortnight) since early summer. It was only after this committee— which spent its early meetings trying to co-ordinate the views of the regional authorities as well as discussing the impossibility of working out cycles of rainfall and projects for using spare tanker capacity to tow down to Cardigan Bay—had concluded that there was an emergency that the standing Cabinet Committee on emergencies got down to considering legislation, and the Drought Bill was introduced.

The Government can be criticised for taking so long to recognise a crisis which, after all, had been growing since the previous summer. But even now that the central apparatus has been expanded to an ad hoc Ministerial committee of Mr. Eric Varley, Mr. Booth, Mr. Peart and others; a supreme Minister, Mr. Howell; a national emergency council including the TUC and the CBI and a telephone-answering unit in the Department of Environment, the role of any central direction must be limited to launching propaganda campaigns, deciding on long-term investment in water storage and supply flexibility and generally discussing the unpredictability of the winter's weather between themselves and the unions and employers.

## Early stage

Most of them are still at an early stage. Wessex has made a good start with one at Yeovil and another planned at Taunton. Anglia is planning meetings with industry in Bedford, while Severn-Trent and Yorkshire have committees planned and the Thames Authority is now discussing the prospects.

It is these local committees rather than any central body which will ultimately advise how the local water authority should exercise its statutory responsibility to make cuts, and it is in these local committees, it is hoped, the information will emerge to enable decisions to be made on how the cuts are to be apportioned.

This still leaves the central question: how industry can expect to fare when its region reaches crisis point, and how likely it is to reach that point. On the first question, the answer will only become apparent as the work of the local committees and the actual experience of cuts bears fruit over the next month or more. On the

early evidence of south east Wales, it is clear that industry will be cut when the situation gets bad enough to introduce rationing under Section 2 of the Drought Act. But, with a Government commitment to giving industry priority, industry seems likely to be the last to suffer.

Nor, for all the talk of 30 per cent. across-the-board cuts, are industrial curbs likely to function as brutally as this. On the Welsh experience, the first to be cut will be those that have alternative supplies such as BSC and the NCB or can find alternative supplies (as ICI at Pontypool). If the local committees can define the picture closely enough, there will be discrimination between companies whose claim to preference is as a supplier to other industries, as an employer, or as an exporter. Some industries, following the representations of such as chemicals and textiles, will be able to cut down certain processes or lines altogether in order to keep others going full blast—although nobody is very happy at the thought of what will happen if a major user like BSC runs out of its own resources.

No one is prepared to predict the extent of the crisis for British industry. What is clearly worrying Ministers is the distinct prospect that a dry autumn and an average or less-than-average rainfall in winter will leave industry, and society as a whole, in a very bad state to face next spring and summer. Yet weather experts have little or no means of forecasting the medium or long-term weather patterns. Caught between a desire to impel the public towards conservation in the interests of next year, and a reluctance to introduce Section



2 rationing, which must inevitably disrupt the life of the community, the Government is still really biding its time. Those authorities near despondent to bring in restrictions this autumn are planning to bring in restrictions in danger this autumn, but in danger if there is too little rain by next spring are holding back. Given the lack of short-term flexibility in regional water supplies, it is difficult to see what else the Government can do, short of introducing general domestic rationing for the sake of morale, "sharing the misery" as it were, or going for a dramatic plan for the relocation of industries. There are certainly some members of the Government who feel that this is what the Cabinet should be considering now. But the ramifications would be immense, incalculable and troublesome—all the more so because no one can be certain that the measures would be necessary.

## Post-graduates' hue

Professor H. Bowen-Jones—I am disturbed by your issue of August 26 "The hue of post-graduate training," a particular one in that it is not only a criticism of post-graduate studies but also of the criteria by which they are judged. I am a post-graduate student myself and I am sure that the criteria by which they are judged are not only a criticism of post-graduate studies but also of the criteria by which they are judged.

## Management training

From Mr. J. Warburton.—I am sure that the criteria by which they are judged are not only a criticism of post-graduate studies but also of the criteria by which they are judged. I am a post-graduate student myself and I am sure that the criteria by which they are judged are not only a criticism of post-graduate studies but also of the criteria by which they are judged.

## Letters to the Editor

23 prompts me to offer an explanation. The first and most obvious is that the "thin" and "thick" as printed. The "thin" as printed, as well as one or two other versions, agree that these three words indicate Timothy's frequent illness which is presumably originated in his stomach.

## Restoring confidence

From the Chairman, Park Place Investments.—Sir.—A change of Government would restore confidence in the pound. Restored confidence in the pound would raise the price of gilt-edged securities. A lower yield on gilt-edged securities would help to lower interest rates. Lower interest rates would encourage industry to invest. Further investment would create further employment.

## Tolerate tourists

From the Hon. Executive Officer, York Tourist Development Association.—Sir.—The report from Arthur Sandles (August 25) which stated that the U.S. Government is considering a code for tourists, was most interesting. York Tourist Development Association published just such a code for conduct in York last year. This was placed in hotels, at places where tourists congregated and at points of arrival in the city, and we hope achieved some small measure of success.

## Hospital charges

From Mr. A. Mackay.—Sir.—It was proposed recently that charges should be made by the hospital services for treatment of road casualties. Surely there is much more urgent need to make more charges for foreign patients. If we British go abroad, particularly to countries like America, it is essential for most of us to take out a sickness and accident policy. For the countries one can go through the process of filling form C31 (leave-off) in order to receive form E111 (by post) which entitles one to free—or part of the cost of—treatment. Contrast this with the foreign visitor who falls ill in this country or comes here, that is, from Ireland, to give birth. They can get a hospital bed and treatment without producing a form E111 or similar.

## Prime

point which you and the sons. Estimates. Committee missed is that vocational courses, while valuable, are of limited value for the training of good research. A person who should be to and very often can himself as a whole man to variety of problems while working relatively a mastery craft. If British society is component institutions to employ or make employ a person in the way in most others can, then we find out why. Equally, if cities are producing too who are not of this calibre, we too must look to it. Remember, however, that on standards and the short-grants compared with demand post-graduate entry is difficult; the distaste is rarely rare.

## Water on the meter

From E. Sykes.—Sir.—I read with interest in the Financial Times of August 25, the conflicting views of the chairman of the Folkestone and District Water Company and those of the manager of the Wrexham and West Denbigh Water Company.

## Oh to be in Wrexham

From Mrs. R. Epps.—Sir.—Re the letters from the chairman of the Wrexham and West Denbigh Water Co. and the chairman of the Folkestone and District Water Co. (August 25). I am sure that many householders who have read these two letters would find it very apt to repeat to themselves "Oh to be in Wrexham now that Seddon's there." The chairman of Folkestone's letter is full of the bureaucratic statistics of the civil servant. It is not the fault of the water engineers that we are in a situation which belies common sense but that of top management. Has it never occurred in authority that one man is capable of reading three meters at one and the same time, namely gas, electricity and water. The job would be more interesting and would command more money.

## Dividend restraint

From Mr. J. Andrews.—Sir.—As the unemployment figure passes the 1.5m. mark, pressures are mounting for the Government to reconsider its policies in order to reverse this socially and indeed politically unacceptable trend. Misguided prejudice against those who provide capital for the creation of jobs has prevented the Government from understanding the effect that its stand on continuing dividend restraint is having on the unemployment trend.

## The electoral system

From Mr. H. Page.—Sir.—Though Professor Tullock's pamphlet "The vote motive" (Samuel Brittan, August 26) will certainly provide an invaluable stimulus to greater understanding of political economy in Britain, I feel that too close an analogy drawn between business and Government has caused both Professor Tullock and your reviewer to take an over-optimistic view of a political system such as we have in this country.

## The words of Timothy

From Mr. S. Ghosh.—Sir.—I enjoy immensely Dr. Carrick's articles on Mondays. His remark (August 25) on the last words of Timothy 5:

## To-day's Events

- GENERAL: Dail (Irish Parliament) recalled in pass counter-subversion measures, Dublin.
- Second day of United Nations symposium on use of solar energy (ends September 3), Geneva.
- International Congress of Genealogical and Heraldic Sciences opens (ends September 7), Imperial College, S.W.7.
- OFFICIAL STATISTICS: Housing starts, completions and renovation grants (July, provisional). Bricks and cement production (July).
- COMPANY RESULTS: Imperial Metal Industries (half-year). Ladbroke Group (half-year).
- BALLET: London Festival Ballet dance Coppelia, Royal Festival Hall, SE1, 7.30 p.m.
- MUSIC: Orchestra of Royal Opera House, Covent Garden, conductor Colin Davis, with Howard Shelley (piano), Maria Nappier (soprano), Richard Cassilly (tenor) and Anne Haugland (bass), perform Weber (Overture: Konnerstuck in F minor); and Wagner (Die Walkure Act 1), Royal Albert Hall, SW7, 7.30 p.m.
- SPORT: Golf: Sun Alliance championships pre-qualifying, Kings Norton. Tennis: Junior championships, Wimbledon.



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June 30, 1976







## Oslo



# Up another 5 on technical factors

BY OUR WALL STREET CORRESPONDENT

FURTHER GAINS were scored on Wall Street today, when the Dow Jones Industrial Average moved up a further 4.99 to 938.92 and the NYSE All Common Index gained another 28 cents to 554.51, while prices led falls by 829 to 520. The Dow Jones Industrial Average moved up a further 4.99 to 938.92 and the NYSE All Common Index gained another 28 cents to 554.51, while prices led falls by 829 to 520. The Dow Jones Industrial Average moved up a further 4.99 to 938.92 and the NYSE All Common Index gained another 28 cents to 554.51, while prices led falls by 829 to 520.

Analysts attributed buying in part to U.S. Steel's announcement that it is withdrawing certain price increases announced August 13 to take effect October 1. However, General Motors said it wouldn't expect to make any changes in its price announcements until 1977 model prices despite U.S. Steel's price cutback.

Also in the economic news, White House Economic Adviser Greenback conceded at a Cabinet meeting that the economic recovery has entered a period of pause but insisted that the underlying recovery is solidly in place.

In Steels and Motors, U.S. Steel moved up 1 1/2 to 57 1/2 and Republic National Resources the most active issue, rose 1/2 to 56 1/2. Ford moved ahead 1/2 to 55 1/2 and Chrysler put on 1/2 to 52 1/2.

Among the stronger performers were Studebaker-Worthington, up 1 1/2 to 57 1/2, Digital Equipment to 57 1/2, IBM 321 to 52 1/2, Hewlett-Packard 11 1/2 to 52 1/2, and Marley 3 1/2 to 54.

Northwest Airlines picked up 1/2 to 50, despite optimism on earnings prospects in a published report.

But Dow Chemical slipped 1/2 to 54 1/2. In Savings and Loan issues, Financial Federation rose 1/2 to 51 1/2 and First Charter Financial to 51 1/2. Imperial Corp. moved up 1 1/2 to 52 1/2. Papers rose 0.90 to 123.34 and Utilities 0.80 to 146.33.

Keystone Products "B" were active but unchanged at 59 1/2. Alcan Aluminum gave way 1/2 to 52 1/2 and Imperial Oil shed 1/2 to 52 1/2.

Ship Containers were lifted 1 1/2 to 57 1/2. It was reported that the Shipping Association continues to rebound from the recession.

THE AMERICAN SE Market Value Index rose 0.24 to 101.67, while advances led declines by 1.32. Turnover amounted to 1.32m. shares, down from 1.51m. shares last Friday.

Houston Oil and Minerals picked up 1/2 to 53 1/2 on favourable comment.

Drug Fair advanced 1/2 to 51 1/2 following higher earnings and a 10 per cent. stock dividend.

But Syntex eased 1/2 to 52 1/2. U.S. Natural Resources, the most active issue, rose 1/2 to 56 1/2. Ford moved ahead 1/2 to 55 1/2 and Chrysler put on 1/2 to 52 1/2.

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New York, August 30.

trend with little movement either way. Dollar stocks were slightly firmer, Dutch Internationals very steady, while Germans were irregular.

U.S. Markets

Copper and silver in late rally

NEW YORK, August 30.

After a steady climb during the day, copper and silver rallied near the close to new highs.

Copper futures for October delivery rose 1 1/2 to 100 1/2, while silver futures for October delivery rose 1/2 to 10 1/2.

Gold futures for October delivery rose 1/2 to 100 1/2.

U.S. Treasury bonds for October delivery rose 1/2 to 100 1/2.

U.S. Treasury notes for October delivery rose 1/2 to 100 1/2.

U.S. Treasury bills for October delivery rose 1/2 to 100 1/2.

U.S. Treasury securities for October delivery rose 1/2 to 100 1/2.

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U.S. Treasury activities for October delivery rose 1/2 to 100 1/2.

U.S. Treasury operations for October delivery rose 1/2 to 100 1/2.

U.S. Treasury functions for October delivery rose 1/2 to 100 1/2.

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U.S. Treasury doings for October delivery rose 1/2 to 100 1/2.

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U.S. Treasury deeds for October delivery rose 1/2 to 100 1/2.

U.S. Markets

Copper and silver in late rally

NEW YORK, August 30.

After a steady climb during the day, copper and silver rallied near the close to new highs.

Copper futures for October delivery rose 1 1/2 to 100 1/2, while silver futures for October delivery rose 1/2 to 10 1/2.

Gold futures for October delivery rose 1/2 to 100 1/2.

U.S. Treasury bonds for October delivery rose 1/2 to 100 1/2.

U.S. Treasury notes for October delivery rose 1/2 to 100 1/2.

U.S. Treasury bills for October delivery rose 1/2 to 100 1/2.

U.S. Treasury securities for October delivery rose 1/2 to 100 1/2.

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U.S. Markets

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## NOTES



# MINERALS & RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

## YEAR END RESULTS AND FINAL DIVIDEND ON THE ORDINARY SHARES

The following are the unaudited results of the Corporation and its subsidiaries for the year ended 30th June 1976 together with comparative figures for the year ended 30th June 1975. These should be read in conjunction with the adjoining notes.

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 1976 (expressed in United States dollars)

	1976 \$000's	1975 Restated \$000's	1976 Restated \$000's	1975 Restated \$000's
<b>INVESTMENT INCOME</b>				
Dividends from investments	10,101	9,110		
Interest and net sundry income	2,701	6,541		
Zamco operations	439	1,204		
Administration and other expenses	1,048	1,223		
Interest on six per cent registered loan stock	280	295		
Other interest	12	—		
Costs of prospecting	4,467	3,323		
Net loss arising from currency fluctuations	287	1,101		
		8,104		5,145
<b>PROFIT BEFORE TAXATION</b>		7,137		10,510
Foreign taxation		193		376
<b>PROFIT FOR THE YEAR</b>		6,944		10,134
Transfers from (to) reserves:				
Currency reserve	287	1,101		
Prospecting reserve	1,467	523		
Capital reserve	(169)	—		
		1,384		1,424
<b>Profit available for distribution (Note 2)</b>		8,328		11,558
<b>APPROPRIATIONS</b>				
Ordinary dividend No. 79 (final) of 2 cents (U.S.) declared 27th August 1976 payable on or about 15th October 1976	633	4,454		
"A" ordinary shares (note 2)	7,717	5,580		10,326
		189		1,832
Unappropriated profit 30th June 1975 as previously reported	14,207	12,541		
Overprovision for foreign taxation in prior years	118	—		
As restated	14,325	12,541		
Adjustment thereto arising from currency fluctuations	38	282		
		14,564		12,796
<b>UNAPPROPRIATED PROFIT AS AT 30th JUNE 1976</b>		14,557		14,325
<b>CONSOLIDATED BALANCE SHEET AS AT 30th JUNE 1976</b> (expressed in United States dollars)				
Capital	105,822	105,822		
Share premium	127,128	127,128		

### NOTES:

#### 1. Final Dividend

The Directors have today declared a final ordinary dividend (No. 79) of 2 cents (United States currency) a share in respect of the year ended 30th June 1976 payable to members registered in the books of the Corporation at the close of business on 10th September 1976 and in persons presenting Coupon No. 52 detached from share warrants to bearer. Dividend warrants will be posted from the registered office of the Corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 14th October 1976. Currency and other details relating to the payment of this dividend are given in a separate announcement.

#### 2. 'A' Ordinary shares

The special arrangements relating to the 'A' shares whereby the dividend distributions on these shares were limited to the income received on the investment in Engelhard Minerals and Chemicals Corporation (EMC) after expenses attributable thereto, will terminate on 10th October 1976 after the payment of the ordinary dividend, and from that date the shares will be converted to ordinary shares and rank pari passu in all respects with the existing ordinary shares of the Corporation.

Net profit attributable to the 'A' ordinary shareholders for the year ended 30th June 1976 is as follows:

Dividends from EMC	US dollars	7,760,227
Less: Expenses (included in administration and other expenses) directly attributable to 'A' ordinary shareholders	US dollars	50,000
Add: Undistributed income brought forward at 30th June 1975	US dollars	7,710,227
	US dollars	6,538

Net profit distributed as below:  
Dividends on 'A' ordinary shares Nos. 5 to 8 totalling 18,4132 cents US dollars 7,717,055

#### 3. Zambia Copper Investments Limited (ZCI)

The Corporation holds a 49.98 per cent interest in ZCI which in turn holds a 49 per cent interest in Nchanga Consolidated Copper Mines Limited (NCCM) and a 12.25 per cent interest in Roan Consolidated Mines Limited (RCM). In May 1976 the Zambian Authorities granted approval for the externalisation of K500,000 (US Dollars 770,000) of the dividends held in Kwacha in Zambia, previously paid to ZCI by NCCM and RCM which amounted to US Dollars 11,322,000 at the then prevailing rate of exchange. Neither of these two dividends will be prejudiced by amended Zambian Exchange Control regulations, imposed since the initial delay in externalisation.

The announcement by the Bank of Zambia on 9th July 1976 of the immediate 20 per cent devaluation of the Kwacha against the dollar had the effect of reducing the value—in dollar terms—of dividends for which ex-

ternalisation permission is still awaited, from US Dollars 10,544,000 to US Dollars 8,435,000. Both NCCM and RCM have declared no dividends in respect of ZCI's year ended 30th June 1976 and it has been necessary for ZCI to pass dividends for that financial year. As announced in the half-year report, the Corporation has granted loans to ZCI at commercial rates of interest. These loans which amounted to US Dollars 2,544,000 at 30th June 1976 are to be repaid before any further dividends can be paid by ZCI.

#### 4. Trend Exploration (Trend)

It was recently announced in the Press that agreement had been reached between the Indonesian Government and Petromin Trend regarding modification of the oil production sharing contract. Petromin Trend, a division of Trend, holds a 27 per cent interest in the contract and is the operator for a consortium of international companies. Trend is held as to 43 per cent by Minoro and 57 per cent by Francans Oil and Gas Limited of Calgary. On 12th August 1976 therefore, Trend was obliged to sign an agreement with Pertamina, the Indonesian state oil agency, which amended the terms of the production sharing contract with effect from 1st January 1977. Although it is not possible to determine precisely the effect of these modifications, the overall cash flow and earnings of Trend will be materially reduced. These amendments include an increase in the Government's share of profits to 85 per cent as well as the requirement that capital expenditure should be amortised over a period of years instead of on a current basis. In addition the consortium will be required to make cash payments to Pertamina of about 36 million dollars during the remainder of 1976 and the first quarter of 1977, most of which will be recovered in subsequent years out of production revenue. Pertamina has indicated that the production sharing contract will be amended in a form that will comply with the United States' Internal Revenue Service foreign tax credit requirements.

#### 5. Interest Received

Interest includes interest received from ZCI in respect of loans per note 3 above.

By order of the board  
W. J. Wilson, Directors  
Z. J. de Beer

U.K. Registrars:  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House,  
Park Street,  
Ashford,  
Kent TN24 8AQ.

S.A. Registrars:  
Consolidated Share Registrars Limited,  
62 Marshall Street,  
Johannesburg 2001,  
(P.O. Box 61081, Marshalltown 2107),  
South Africa

27th August, 1976

## INSURANCE

# Motorists face further rises in premiums as costs increase

BY ERIC SHORT

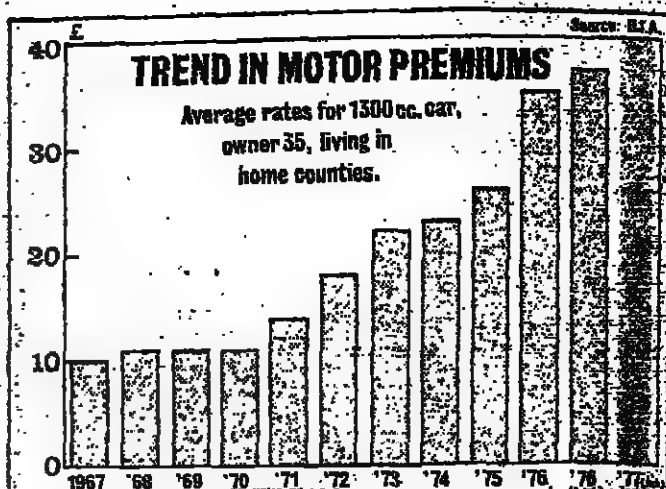
MOTORISTS SHOULD by now be hardened into accepting increases in their motor premiums. The table shows that so far each time the renewal notice arrives, yet the announcement last Thursday by Mr. V. V. Hudson, chairman of Lloyd's Motor Underwriters' Association, that premiums could rise another 20 per cent in the New Year created quite a stir, at least among the journalists present.

The rate at which motor premiums are increased by insurers depends on several factors—the chief being the cost of repairs, the cost of spare parts and the cost of third party awards. Mr. Hudson pointed out that repairs costs are about 20 per cent higher than a year ago and courts awards are now 35 per cent above those being given last year.

Using these figures it seems a reasonable assumption that rates will rise 20 per cent and about one-fifth of private motorists are insured with Lloyd's syndicates. But what about the other motorists who insure with the other companies large and small, can they expect a similar level of increases?

### The norm

So far this year companies have been raising rates by much lower amounts and far less frequently than in the black days of last year. Now 10 per cent seems to be the norm—the Royal Insurance put up its rates by this amount last month—and companies have returned to annual increases compared with list of motor premium rates for



all classes of cars and all subdivisions of areas, which is updated regularly.

This information is contained on file in a computer and brokers who subscribe to the service can obtain through a computer terminal a list of premium rates, in order of size to meet the needs of any client.

A word of warning, however, the cheapest rate is not necessarily the best policy for the motorist, the reputation of the company is vital, especially in paying claims. However, the broker should be able to advise which company in the top five is suitable for his client.

Quotel is now publishing a monthly guide of highest and lowest rates for selected areas in major areas. The differences are astonishing. For example there is a gap of £22 between top and lowest rate for a Ford Cortina of the driver living in Cornwall. More brokers are now using the Quotel service which properly used can be invaluable. One area of concern in insurers is the poor experience of motor-cyclists at the present time. The number of claims for this type of business have been rising very fast and premium rates are rising even faster. Some companies do not want motorcycle business or, if they do, they are pricing themselves out of the market. The chairman of Avon Insurance in his report this year gave a severe warning about the future of motorcycle insurance. The answer lies in the motor-cyclists themselves becoming more careful in their driving.

## Granite Overseas Corporation N. V.

(Incorporated in the Netherlands Antilles with Limited Liability)

Meeting of Holders of \$14,865,000 6 1/4 per cent. 15 year Convertible Bonds of 1969

NOTICE IS HEREBY GIVEN that a Meeting of the holders of the \$14,865,000 6 1/4 per cent. 15 year Convertible Bonds of 1969 of the above Company will be held at Winchester House, 100 Old Broad Street, London, E.C.2 on Thursday, September 23, 1976 at 12 noon when the following resolutions will be proposed as Extraordinary Resolutions within the meaning of the Trust Deed dated 26th March, 1969 constituting the said Bonds:—

### EXTRAORDINARY RESOLUTIONS

1. "That, subject to the following condition having been satisfied on or before November 26, 1976, namely:— the offer to the holders of the outstanding \$13,680,000 6 per cent. Convertible Subordinated Debentures, due 1987 ("the Debentures") of Midland Resources, Inc. ("the Guarantor") to exchange each \$1,000 principal amount of the Debentures for 400 shares of the Common Stock, par value \$0.50 per share, of the Guarantor ("the Exchange Offer") being accepted by the holders of at least 70 per cent, in principal amount of the Debentures and the Exchange Offer otherwise becoming unconditional and effective, except for the passing of this and the next following Extraordinary Resolution—

this meeting of the holders of the 6 1/4 per cent. 15 year Convertible Bonds of 1969 ("the Bonds") of Granite Overseas Corporation N.V. ("the Corporation") constituted by a Trust Deed ("the Trust Deed") dated 26th March, 1969 made between the Corporation, the Guarantor (then named "Granite Equipment Leasing Corp.") and Schroder Executor & Trust Co. Company Limited ("the Trustee") as trustee for the holders of the Bonds ("the Bondholders"), pursuant to paragraph 14 of Schedule 2 to the Trust Deed, hereby:—

(1) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Bondholders against the Corporation and sanctions the compromise or arrangement between the Corporation, the Guarantor and the Bondholders involved in or proposed to be effected by the substitution of the Guarantor for the Corporation as "the Company" as defined by the Trust Deed in the intent that the Guarantor should assume all the obligations of the Corporation thereunder in accordance with the terms of the draft Supplemental Trust Deed produced to the meeting;

(2) approves the said substitution; and

(3) assents to the modifications of the provisions in the Trust Deed proposed to be effected by the said draft Supplemental Trust Deed and authorises and empowers the Trustee to concur in, execute and deliver a Supplemental Trust Deed in the form of the said draft and execute and do all such other deeds, instruments, acts and things as may be necessary to give effect to this Resolution and the said substitution.

2. "That subject to the preceding Extraordinary Resolution becoming unconditional and effective and the execution of the said Supplemental Trust Deed, this meeting of the holders of the Bonds pursuant to paragraph 14 of Schedule 2 of the Trust Deed, hereby:—

(1) agrees to waive all rights against the Guarantor in respect of the interest on the Bonds due for payment on 1st April, 1976 and otherwise accruing since 1st October, 1975;

(2) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Bondholders against the Guarantor involved in or proposed to be effected by the redemption and cancellation of the Bonds in exchange for 400 shares of Common Stock (in registered form), par value \$0.50 per share, of the Guarantor credited as fully paid for each \$1,000 nominal amount of the Bonds;

(3) approves the said cancellation and exchange; and

(4) authorises and empowers the Trustee to concur in, execute and do all such deeds, instruments, acts and things as may be necessary to give effect to this Resolution and the said exchange and, upon payment to the Trustee of all monies payable to the Trustee pursuant to the Trust Deed in respect of remuneration, costs, liabilities and expenses and upon the Trustee being satisfied as to the arrangements for the issue by the Guarantor of the said registered Common Stock in exchange for the Bonds, to release the Corporation and the Guarantor from all liabilities in respect of the Bonds and interest thereon and all other liabilities of the Guarantor under the Trust Deed and the Trustee shall thereafter be released and discharged from all liability in respect of the Bonds under the provisions of the Trust Deed."

The above Extraordinary Resolutions are proposed in connection with a reorganisation of the Guarantor, details of which are given in a Registration Statement of the Guarantor declared effective by the Securities and Exchange Commission of the United States of America on August 27, 1976, a copy whereof (together with a draft, subject to modifications, of the Supplemental Trust Deed referred to in the above Resolutions) can be seen at any of the following offices:—

Schroder Executor & Trustee Company Limited  
Citibank, N.A.  
120 Cheapside, London, E.C.2  
Corporate Trust Office, 111 Wall Street, New York, N.Y. 10015.

Citibank, N.A.  
Citibank, N.A.  
Citibank, N.A.  
Citibank, N.A.

Citibank House, 236 Strand, London, W.C.2  
Herengracht 548-549, Amsterdam, Holland  
Rue Cardinal Mercier, 8, 1000 Brussels, Belgium  
80 Avenue des Champs-Élysées, 75001 Paris, France

Banca Commerciale Italiana  
Dresdner Bank AG  
Banque Internationale  
Luxembourg S.A.

6 Piazza della Scala, Milan  
7 Schadowstrasse, 6 Frankfurt (Main), Germany  
2 Boulevard Royal, Luxembourg

A copy of the above-mentioned Registration Statement will be made available for inspection by any Bondholder upon request to any of the above offices and can also be obtained from the office of the Securities and Exchange Commission, 500 North Capitol Street, Washington, D. C. 20549.

The Corporation has been advised that it is necessary to request the Bondholders to pass the above two Extraordinary Resolutions, rather than a single Resolution, in order to facilitate receipt of certain tax rulings from the United States Internal Revenue Service.

The Securities Division of the American Stock Exchange has made a determination to delist the Common Stock of the Guarantor, which is appealing against such determination; unless reversed on appeal, the Common Stock will be delisted. As a consequence, the Stock Exchange in London has temporarily suspended from 8th March, 1976 the listing of the Bonds on the Stock Exchange.

In order to vote at the Meeting, Bondholders must deposit their Bonds at one of the above-named offices not less than 48 hours before the time appointed for holding the Meeting and obtain a Memorandum of such deposit (signed by an official of the Trustee or of any such Bank) which must be produced at the Meeting by the Bondholder attending the Meeting. The Bonds deposited will be retained and will not be returned to the depositor in the event of the said Resolutions being duly passed and becoming unconditional; notice of which event will be published in this newspaper. After publication of such notice, the Bondholder who has deposited his Bonds, or such other person as he may have designated in writing, will be entered in the register of the shares of Common Stock of the Guarantor as the holder of the number of such shares to be issued in respect of the deposited Bonds in accordance with the second of the said Resolutions and a registered certificate therefor will be issued to him, within 28 days thereafter to the person and address notified for registration of the said shares. The said notice, in the event of the said Resolutions being duly passed, will include instructions to those Bondholders who have not already lodged their Bonds regarding the deposit of the same at one of the offices so as to obtain a registered certificate for the shares of Common Stock to which they, or their nominees, will then be entitled.

In the event of the first of the said Resolutions not being passed or not becoming unconditional on or before November 26, 1976, a notice will similarly be published requesting the Bondholders who have deposited their Bonds to surrender the Receipts for the Bonds in order to obtain their return.

The quorum for the Meeting is holders present in person or by proxy in nominal amount of the Bonds. If such quorum is not present at the Meeting, it will be adjourned for such period not being less than 28 days as may be appointed by the Chairman of the Meeting and at such adjourned Meeting the Bondholders present, whatever the amount of the Bonds held by them, will form a quorum. Notice will be published in this newspaper of any adjourned Meeting.

In order to avoid the need to hold an adjourned Meeting, Bondholders are strongly urged by the Corporation and the Guarantor to arrange for their Bonds to be represented at the Meeting. If you are in any doubt as to the procedure to be adopted you should consult a Paying Agent, your Bankers or your other professional advisers without delay.

At the above-mentioned Meeting of the Bondholders, the passing of each Extraordinary Resolution requires a majority consisting of not less than three-fourths of the persons voting thereon upon a show of hands or, if a poll be duly demanded, then by a majority consisting of not less than three-fourths of the votes given on such poll. If duly passed, the Resolutions will bind upon all Bondholders whether present or not present at the Meeting.

By Order of the Board  
Stephen L. Bernstein, Director

August 31, 1976  
Registered Office:  
6 John B. Gorsiraweg, Willemstad, Curacao, Netherlands Antilles















**SKIPTON BUILDING SOCIETY**  
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Skipton BD23 1BN  
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interest around here.

# FINANCIAL TIMES

Tuesday August 31 1976

**Weatherall Green & Smith**  
Chartered Surveyors-Estate Agents  
London Leeds Paris Nice Frankfurt

## Dutch Cabinet averts constitutional crisis

BY MICHAEL VAN OS

A CONSTITUTIONAL crisis over the involvement of Prince Bernhard in the Lockheed bribery scandal appears to have been averted by the Dutch Government following the publication of the Donner report last week.

All the main political parties in Holland today came out in support of the Cabinet's decision not to institute criminal proceedings against the Prince for his part in the Lockheed bribery scandal, which the report had described as "completely unacceptable".

Queen Juliana had hinted that she would abdicate if the Prince were prosecuted. Despite the fact that the report was signed by the Government, it alleged that the Prince had solicited payment for helping with the sale of Lockheed's Orion aircraft in Holland and the small Pacific-Socialist Party—which has just two members in Parliament—is calling for criminal proceedings.

The republican PSP, which has long called for the abolition of the monarchy, will certainly fail to get any significant support for its motion.

The Prince has meanwhile re-

THE HAGUE, August 30.

acted as Inspector-General of the Dutch Armed Forces and defence functions.

The Parliamentary spokesman in The Hague this afternoon congratulated the "Three wise men" who compiled the report and also expressed their strong support for Queen Juliana. The Queen had put her "constitutional position before her private considerations," by not abdicating, one party leader said.

The strong hint by Mr. Joop den Uyl, the Prime Minister, that the Queen would have had to go in the event of a decision to begin criminal proceedings against the Prince and the warnings of the inevitable constitutional crisis as a result in what is a pre-election year have clearly had the desired effect.

But the Prime Minister and his colleagues at the Ministries of Justice and Home Affairs still face some tough questions raised by the report.

Major parties such as the PVDA Labour Party and the VVD, the chief Opposition party, have asked for clarification about suggestions in the Donner Report that the Lockheed Aircraft Corporation had made un-

## Atkinson likely to be Labour's next treasurer

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE PRIME MINISTER'S efforts to defuse policy differences between Labour's National Executive and the Government look like receiving a setback during the party conference in Blackpool at the end of next month.

Thanks to the work of the Tribune Group and a round-robin letter to constituency parties signed by Mr. Michael Foot, Lord President, and Mr. Anthony Wedgwood Benn, Energy Secretary, among others, the party treasurer's position has been strengthened. Only half a million activists, stimulated by a more direct say in policy, could save the party in its present precarious financial condition, he said.

The conference agenda contains several resolutions echoing Mr. Atkinson's call for a new electoral procedure to bind the Labour leader.

There are also motions critical of public spending cuts, urging the Government to cut unemployment, to bring the four main clearing banks and seven leading insurance companies into public ownership and to make compulsory planning agreements a feature of the NEB. Resolutions call for a radical change in the country's trading policy through the imposition of selective import controls.

Of special concern to Mr. Callaghan will be the debate on devolution. UCAT has put down a resolution expressing root-and-branch condemnation of the Government's policy. The Government is placing great faith in endorsements of its devolution proposals by both the Labour conference and the TUC Congress as an antidote to its critics on the back-benches who have threatened to defeat the Devolution Bill next session.

### Short of money

The party's annual report, published yesterday, which will be presented to the conference, provides corroboration for the findings of the Houghton Committee on financial aid for political parties whose report was published last week. Although membership is holding up well for the mid-term period of a Labour Government—the 1975 figure of 674,905 was a decrease of 16,884 on the previous year—the report described a "serious financial position".

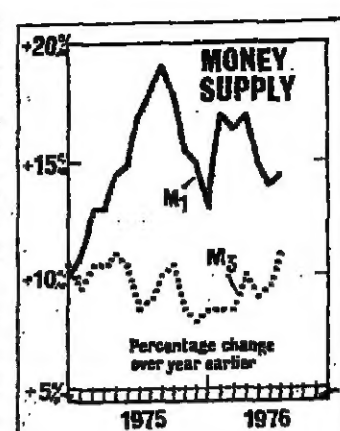
The party's finance secretary, Mr. John Pittaway, warns that the party's election fund, which contained £331,542 at the end of 1975, would be "totally inadequate" to finance an early general election.

The party's accumulated deficit had been reduced from £205,520 to £46,487 during the course of last year. It was hoped to eradicate it by the end of this year but the party's current situation has been worsened by the need to ensure financial survival. Financial circumstances had depressed the number of Labour agents to 85, the lowest figure employed since the war.

## THE LEX COLUMN

## Economic posers for equities

The equity market is one of the best leading indicators of economic activity that we have, and when it turns down to any significant degree, it deserves to be taken seriously. Since the peak in early May the FT 30-Share Index has fallen back just over 16 per cent, a fairly decisive movement by most standards (an old-style bear market, after all, used to average not much more than 30 per cent). The latest decline could, perhaps, be compared to the 15 per cent setback between May and late September 1972. That certainly confirmed the end of the 1971-72 bull market, although a subsequent rally took the index comfortably back above 500. The market's natural tendency to fluctuate should not be forgotten. It was another year before the 1973-74 bear market began in earnest.



A bumper week-end bag of economic forecasts provides an opportunity to consider why the market has become so unsettled. The London Business School forecast in the Sunday Times, for instance, emphasises the weak nature of the current economic recovery and the continuing unemployment, and suggests that the corporate sector will swing rapidly into deficit from the second quarter of 1977. Wood Mackenzie, among the more bullish brokers on the subject of corporate cash flows, are revising their estimate of the 1978 surplus down from £1.5bn. to £1bn.

Monetary moves

Philips and Drew are becoming increasingly concerned about the probability of an acceleration in inflation in 1978—which fits in with the LBS projection of inflation increasing to 16 per cent in 1978. Finally, the economists of the National Westminster Bank describe the official view that the rate of growth of the money supply will slow down further in 1977-78 as being "somewhat unrealistic" and conclude that the IMF looming up further monetary measures are likely this autumn.

Historically the equity market has proved very sensitive to corporate flows of funds so the strength of the sector's financial balance is a key point. The latest available figures show that after a small deficit in 1975 industrial and commercial companies moved into a small surplus.

plus in the first quarter of the current year. This followed about a year of de-stocking and falling fixed capital spending in volume terms. Bank lending to the U.K. private sector in sterling was also on a declining trend until the end of the first quarter.

In the four months since March, however, bank lending has jumped by £1.6bn, or just over 7 per cent (after seasonal adjustment). Official indications are that this reflects higher working capital requirements. If this had followed a restocking trend by companies, reflecting either rising economic activity or hedging against the weakness of sterling, the implications might have been less serious.

But figures released last week showed fairly sharp de-stocking in the second quarter (with, just to confuse matters, a revision to suggest minor restocking in January-March). These stock statistics tend to be rather erratic, and subject to later adjustment. Yet on the face of it the conclusion must be that when restocking really does get under way, and fixed investment begins to recover—perhaps later in the year—bank lending could build up further. There could, however, be something of a lull after the particularly large jump in July.

The strength of demand for bank credit so far can probably be put down to the degree of inflation being suffered by companies. The year-on-year growth of the retail price index may have slipped to under 13 per cent by July, but the corresponding rise in the cost of the industry's basic materials was almost 30 per cent.

Thus WIM have raised their 1976 estimate of the rise in value of the company sector's

stocks from £3.65bn. to £4.01bn. They are not changing 1977 forecast of a £2bn. surplus at this stage, includes a £1.2bn. North Sea surplus, however, and is patently with a move by companies (ex oil) into deficit at the end of 1977.

A corporate sector would not be a partial serious matter were it not the prospect of a collision the huge—if slowly—defining deficit of the public sector. Along with the level of edged sales, bank lending one of the big unknowns in money supply equations. A month ago tentative estimates for the growth of bank lending in 1976-77 were often £1bn.-£1.5bn. range. Now, as high as £3.5bn. are mentioned.

All such judgments are coloured by one or two elements of various statistical series. A most two of buoyant industrial production figures and bank lending could modify picture, and perhaps economic growth and profits. The latest forecasts, however, suggest that growth will not reach Chancellor's 4 per cent target. The National Institute estimates are due late next week.

### Gilts and equities

The conclusion from a familiar enough Government is appropriate some major decisions a monetary front in the next months, while in the term the problems of unemployment and inflation remain much unsolved. Some traditional monetary measures—such as special depositing collars and contra bank deposits—are begun practicable, for it is the burden of control of the supply on the gilt-edge market, whatever gimmicks could be dreamed, given a limit growth of M3, the authorities would have to match inflation growth with extra gilt. If the pressure is to swap bank lending curbs, companies, that might explain of why gilt equities in recent weeks.

## Rolls-Royce plans new style RB-211

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE (1971) is proposing a new, less powerful version of the successful RB-211 engine for possible use in the next generation of short-to-medium range airliners that Boeing of the U.S. is planning to build.

The new variant, with about 22,000 lbs. thrust, against 24,000-25,000 lbs. of thrust of the existing versions of the engine, would be suitable for use in any twin-engine aircraft that Boeing might decide to build for the 1980s.

At present the airlines do not know whether they want a twin-engine aircraft or a three-engine aircraft. Although many favour three engines, it would involve them in the expense of introducing both a new engine and a new airframe together, and this they are reluctant to do.

### Joint venture

If the airlines and Boeing between them decided on a three-engine aircraft, they would need an entirely new power plant of about 28,000 lbs. thrust, such as the U.S. Pratt and Whitney JT-10D.

Rolls-Royce has already done

## Leyland to make diesel Princess

By Terry Dodsworth  
Motor Industry Correspondent

A SIGNIFICANT expansion of diesel car sales in the U.K. during the last year has persuaded British Leyland to press ahead with a confidential plan to introduce a diesel-engined version of the Princess. The company expects to launch the car within a year or so.

Leyland's plans for the Princess have been developed in spite of considerable doubts in the British car industry about the economic advantages of diesel over petrol engines. Although a diesel car will give up to 30 per cent. better use of fuel, it costs more to make and to buy. For the average motorist there is no clear advantage in switching from petrol-engined vehicles.

The rapid expansion of diesel production in continental Europe during the last two years, however, has indicated that there are growth prospects in this sector of the market. Mercedes, Peugeot, Citroen and Opel—Europe's main producers of diesels—have all increased output substantially, and diesel car manufacturing world-wide has gone up from about 210,000 to 230,000 vehicles a year since the oil crisis in 1973. Volkswagen also has plans to produce a small 1.5-litre, diesel for its Golf and Passat models due in the autumn.

### Taxi market

Much of the extra demand has come from private customers as opposed to the traditional taxi market for diesels.

Part of Leyland's plan is for the Princess to be accepted as a general-purpose vehicle. At present the company makes a range of diesels, including a 1.3-litre diesel version of the Marina which is sold in some export markets. A 1.8-litre version of the diesel unit used in the light Sherpa van, which has been extensively tested and modified for car application, will be adopted for the Princess.

In spite of Leyland's plans for the Princess, the British car industry does not seem to have undergone a conversion to the diesel concept. A new paper prepared by the Society of Motor Manufacturers and Traders, and due to be published next month, is believed to be lukewarm to the idea of a Government encouragement of diesel use.

Future for diesel cars, Page 10

Engineers ignore call, Page 8

### Burton workers in closed shop

By Our Labour Staff

EMPLOYEES OF THE Burton Jackson tailoring group will be required to join the Union of Shop, Distributive and Allied Workers within 15 months under a closed-shop agreement due to be signed today.

The membership clause is included in a new national recognition and procedural agreement between the company and union. New employees will have to join the union at once, and non-members among the company's 5,000 current staff will be required to join by March, 1978.

## Fishermen and oil rigs lack protection

THE ROYAL NAVY is inadequately equipped to protect Britain's oil rigs and future fishing limits, according to the latest edition of Jane's Fighting Ships, published today. The Type 14 frigates and considerable numbers of coastal minesweepers are being paid off, with nothing to replace them. The surface ship-building programme, with one or two minor unsatisfactory exceptions, is devoted to large, complex and expensive destroyers and frigates," says the editor, Capt. John Moore, in a foreword.

"Very little money has been made available to provide the ships needed to protect one of Britain's most valuable assets against terrorism, damage or destruction."

The EEC countries have already announced their intention to extend their territorial limits to 200 miles, pending any decision from the Law of the Sea Conference due to end in New York on September 17. Negotiations are under way in Brussels about an exclusive fishing zone for British fishermen, and Britain is seeking a coastal fishing zone varying from 12 to 50 miles.

Jane's Fighting Ships, published by Jane's Yearbooks at £25.

## Alcohol main cause in 9% of accidents

ALCOHOL is the main cause in 9 per cent. of road accidents, according to a four-year study by the Government's Transport and Road Research Laboratory. It says in its annual report a quarter of all accidents between 10 p.m. and 4 a.m. involve drinking drivers.

### Weather

#### U.K. TO-DAY

CLOUD and rain in the S. will move N. later.

Loudon, S.E. E. Anglia, Channel Cloudy, thunder rain in places. Brighter by afternoon. Max. 18C (64F).

Cent. S. Midlands, Cent. N. England. Fine patches at first, sunny periods developing. Max. 20C (68F).

E., N.E. England, Borders. Fine patches near coast, sunny periods inland, but cloudy later. Max. 18C (64F).

S.W. England, S. N. Wales. Mainly dry. Occasional drizzle later. Max. 18C (64F).

N.W. England, Lakes, I. of Man, S.W. N.E. Scotland, W. Ireland. Sunny intervals, becoming cloudy. Rain in places later. Max. 15C (59F).

Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth. Mainly dry, sunny periods, cloudy later. Max. 19C (66F).

Outlook: Chanceable.

Lighting-up: London 20-18.

Manchester 20-22, Glasgow 20-15.

Belfast 20-29.

#### BUSINESS CENTRES

	Mon	Tue	Wed	Thu	Fri	Sat
Alexandria	22	23	24	25	26	27
Amman	22	23	24	25	26	27
Baghdad	22	23	24	25	26	27
Bombay	22	23	24	25	26	27
Buenos Aires	22	23	24	25	26	27
Cairo	22	23	24	25	26	27
Colon	22	23	24	25	26	27
Hong Kong	22	23	24	25	26	27
London	22	23	24	25	26	27
Lyons	22	23	24	25	26	27
Manila	22	23	24	25	26	27
Medan	22	23	24	25	26	27
Paris	22	23	24	25	26	27
Rangoon	22	23	24	25	26	27
Singapore	22	23	24	25	26	27
Tokyo	22	23	24	25	26	27
Yokohama	22	23	24	25	26	27

#### HOLIDAY RESORTS

	Mon	Tue	Wed	Thu	Fri	Sat
Amman	22	23	24	25	26	27
Baghdad	22	23	24	25	26	27
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Yokohama	22	23	24	25	26	27

Continued from Page 1

## Cabinet faces cost

Before the end of the next session of Parliament the Cabinet will be re-examining the present 100-year rule whereby contingency planning for water supply is geared to compensate for the most extreme fluctuations in the previous century.

Amending the rule could involve large-scale public works including the construction of reservoirs in the areas around Morecambe Bay and the Wash, and possibly the construction of expensive desalination plants which would involve substantial expenditures of public funds.

At present, the 100-year rule requires water authorities to spend £30m. annually on capital programmes, though it is doubtful whether this sum is adequate to replace existing equipment.

The Government will have to reconcile cost with risk in reaching its decision. As Sir Robert Howells, the Minister of State at the Department of the Environment, put it last week: "Our Ministers will have a balancing problem in striking the right balance. There will be very large price tags."

The Cabinet will be required to pass through three phases of decision-taking before making its major strategic assessment next summer. Its immediate preoccupation is with crash, emergency programmes and the Minister for co-ordinating anti-drought measures, Mr. Denis Howell, will report to the Cabinet's Drought Committee tomorrow on these measures.

He will also outline plans to link the Wyre and Uck river basins in hard-hit South Wales.

A decision is also expected this week on reversing the flow of the Great Ouse to relieve East Anglia.

The second phase of the Government's strategy will present the Cabinet in mid-October with short-term decisions designed to secure the country's water supply for the next 18 months. Ministers will have before them a paper from the Meteorological Office and a report prepared by the National Water Council and the Water Directorate of the DOE.

drastic programme for easing the consequences of drought until normal climatic conditions are restored.

Its essence will be measures to improve the links between regions and river basins, which is the scale of works envisaged by Mr. Howell when he speaks of a national water grid.

At the same time, the Cabinet will probably decide to legislate next session to increase the strategic role of central co-ordination of water supply by replacing the National Water Council with a National Water Authority enjoying increased powers.

The Bill will also include proposals to equalise water charges throughout the country, a clause nationalising the 28 Water Boards remaining in private hands and a reorganisation of internal navigation involving the abolition of the British Waterways Board.

So far, the public expenditure consequences of the drought have been fairly small and the effects on industrial capacity nil. Officials do not anticipate any significant effect on industry before October or November.

But, quite apart from any decisions about repaying the abolition of food subsidies or devaluing the "green pound," Ministers will be faced in October with additional public expenditure probably in the £30m. to £50m. range. Whether this will be a charge against the contingency reserve or topped off existing Departmental programmes has yet to be decided.

The third phase of the Government strategy will involve the Cabinet early next year in taking medium-term decisions for the next five years. The lead time for constructing a new reservoir is about eight years so the planned capital programmes of regional authorities will require special scrutiny.

The Common Market Commission has formally asked for an emergency meeting of Farm Ministers to discuss the drought affecting some member countries. Mr. Pierre Lardinois, EEC Farm Commissioner, said yesterday. The continuing drought in many areas of the Community had confirmed gloomy EEC forecasts for certain crops—particularly sugar and cereals.



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